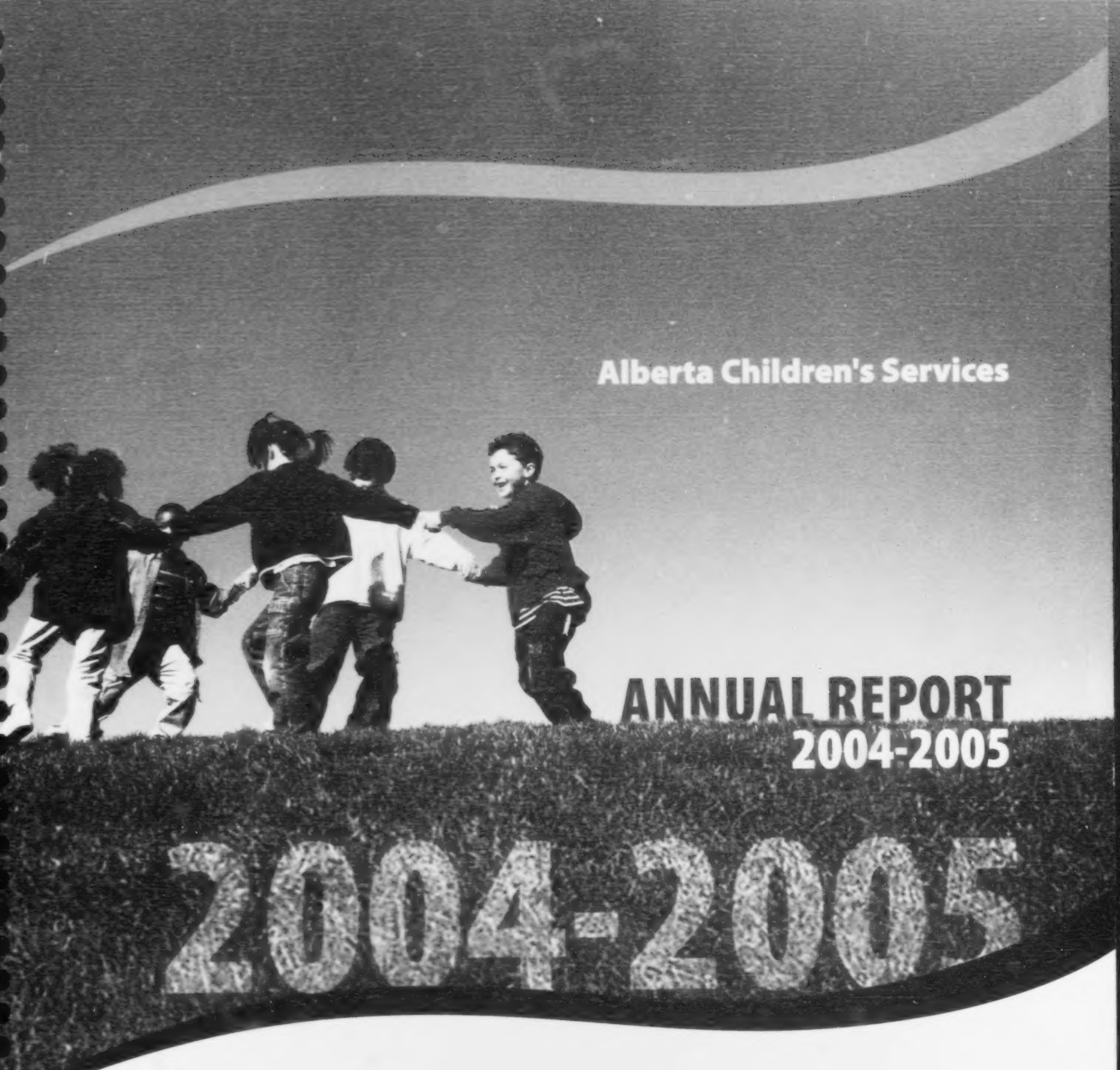

Alberta Children's Services

ANNUAL REPORT
2004-2005

2004-2005

Alberta

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Public Accounts 2004-2005

Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 ministries.

The annual report of the Government of Alberta released June 29, 2005 contains the Minister of Finance's accountability statement, the consolidated financial statements of the province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Children's Services contains the Minister's accountability statement, the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- **The financial statements of entities making up the ministry including the Department of Children's Services and 10 Child and Family Services Authorities for which the Minister is responsible.**
- **Other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as part of the financial statements, to the extent that the ministry has anything to report.**

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2005, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as of September 1, 2005 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Heather Forsyth

Heather Forsyth
MINISTER OF CHILDREN'S SERVICES

Message from the Minister

I am pleased to present the 2004-05 Alberta Children's Services Annual Report.

It takes an entire community to raise a child. That's why, at Children's Services, we work with partners and communities to give children the best start possible in order to lead happy, healthy and successful lives. We're providing the best for children, youth and families through prevention, protection and community partnerships.

This past year, Children's Services worked with other ministries on a provincial action plan to address family violence and bullying. *Finding Solutions Together*, the report on the Alberta Roundtable on Family Violence and Bullying, outlines five key areas for action: social change; provincial leadership; a collaborative, coordinated community response; services and supports; and, accountability. Through our newly established Office of the Prevention of Family Violence and Bullying, we developed the *Strategy for Prevention of Family Violence and Bullying Cross-Ministry Business Plan*, to raise awareness and outline Alberta's plan for action to strengthen community-based services and resources and work towards an Alberta free from family violence and bullying.

We implemented two new pieces of legislation in 2004-05, that will support families in keeping their children safe and healthy, while helping them reach their full potential. The *Child, Youth and Family Enhancement Act* helps us serve families before they reach crisis, more quickly establishes permanent homes for children in government care and strengthens the involvement of First Nations, Métis and other aboriginal communities in planning for their children. The *Enhancement Act* provides

> It takes an entire community to raise a child. That's why, at Children's Services, we work with partners and communities to give children the best start possible in order to lead happy, healthy and successful lives.

an opportunity for more collaboration and partnerships within the community, and involves children and families in decision-making.

The *Family Support for Children with Disabilities Act* also focuses on families. The first of its kind in Canada, it is distinct and separate legislation to support children with disabilities and their families. This groundbreaking legislation better serves children and families, because it recognizes families as partners in deciding on the services that best meet their needs. We're able to provide proactive, family-centered programs and services, so that families can better promote the healthy development of their children.

Community partners play a key role at Children's Services. Together, we've worked hard to provide parents with the tools they need to be the best parents they can be. With the Library Association of Alberta, we placed over 17,000 new parenting resources in each of Alberta's public libraries. And, we connected parents to community resources through a network of 20 Parent Link Centres across the province, where they can find information, access programs, obtain referrals, take part in learning activities, and meet other families.

It's the children and youth in this province that provide inspiration for the work we do in this ministry. In March, we honoured nineteen outstanding young Albertans for making a difference at home and in their communities. As we celebrate Alberta's Centennial Year, we know the future of our province is in great hands. This year's awards bring the total to 100 Great Kids honoured across Alberta!

This annual report reflects our ongoing commitment to make Alberta the best place in the world to raise our children and families. Over the next year, we'll continue supporting parents, caring for children with disabilities and implementing our two new

Community partners play a key role at Children's Services. Together, we've worked hard to provide parents with the tools they need to be the best parents they can be.

pieces of legislation. We've worked hard to reach a child care agreement with the federal government, and we look forward to investing new federal funding to continue giving Alberta parents choice in high-quality child care options for their children. We're also exploring groundbreaking legislation to protect children found in houses where drugs are produced. We'll remain focused on stopping child sexual exploitation, including Internet luring and child pornography, and preventing family violence and bullying. In October, Alberta will host the World Conference on Prevention of Family Violence 2005.

This ministry's accomplishments are a result of the endless commitment of our staff, whose work is truly appreciated. I look forward to our continued accomplishments, working together as a community to build a strong future for Alberta's children and families.

Heather Forsyth

Heather Forsyth
MINISTER

Management's Responsibility for Reporting

The Ministry of Children's Services includes the Office of the Child and Youth Advocate, the 10 Child and Family Services Authorities, the Youth Secretariat, the Department of Children's Services, the Social Care Facilities Review Committee and the Appeal Secretariat.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the ministry rests with the Minister of Children's Services. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control, which give consideration to costs, benefits, and risks that are designed to:

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

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- Provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- Provide information to manage and report on performance;
- Safeguard the assets and properties of the Province under ministry administration;
- Provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Children's Services any information needed to fulfill their responsibilities; and,
- Facilitate preparation of ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executive of the individual entities within the ministry.

Maria David-Evans

Maria David-Evans
DEPUTY MINISTER

SEPTEMBER 1, 2005

Alberta Children's Services

ANNUAL REPORT

2004-2005

Overview of the Ministry

Operational Overview

Overall ministry operations and services

Alberta is home to approximately 770,000[1] children under the age of 18. The Ministry of Children's Services strives to create a setting where young people can live happy, rewarding lives.

We work to help children become strong, healthy individuals, and endeavour to provide safe, nurturing environments for the province's children and youth. We also work with families, communities, and others to stop abuse and break cycles of family violence.

Our vision of strong children, families and communities is an Alberta where children and youth are valued, nurtured and loved. They will develop to their potential supported by enduring relationships, healthy families, and safe communities.

Alberta will be child, youth and family friendly.

Our mission is to work together to enhance the ability of families and communities to develop nurturing and safe environments for children, youth and individuals.

The Ministry of Children's Services strives to create a setting where young people can live happy, rewarding lives.

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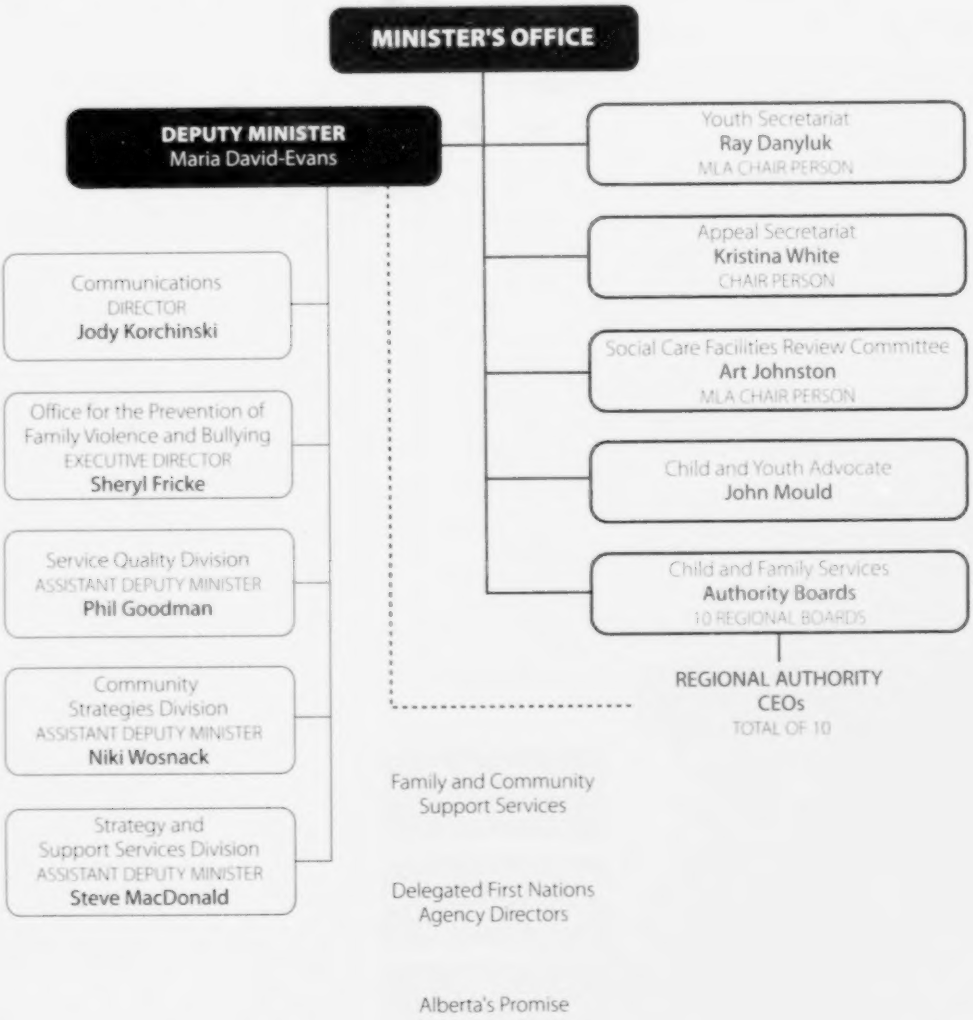
[1] Custom data provided by Alberta Health from 2002 Alberta Health Registrations files.

Alberta Children's Services organization

(AS OF MARCH 31, 2005)


MINISTER'S OFFICE
DEPUTY MINISTER
Maria David-Evans
Communications
DIRECTOR
Jody Korchinski
Office for the Prevention of Family Violence and Bullying
EXECUTIVE DIRECTOR
Sheryl Fricke
Service Quality Division
ASSISTANT DEPUTY MINISTER
Phil Goodman
Community Strategies Division
ASSISTANT DEPUTY MINISTER
Niki Wosnack
Strategy and Support Services Division
ASSISTANT DEPUTY MINISTER
Steve MacDonald
Youth Secretariat
Ray Danyluk
MLA CHAIR PERSON
Appeal Secretariat
Kristina White
CHAIR PERSON
Social Care Facilities Review Committee
Art Johnston
MLA CHAIR PERSON
Child and Youth Advocate
John Mould
Child and Family Services
Authority Boards
10 REGIONAL BOARDS
REGIONAL AUTHORITY
CEOs
TOTAL OF 10
Family and Community Support Services
Delegated First Nations Agency Directors
Alberta's Promise

Description of organization

The provincial government is responsible for providing services for the safety, security and well-being of children and families. The Ministry of Children's Services fulfils these obligations through the following entities.

CHILD AND FAMILY SERVICES AUTHORITY (CFSA)

The Minister of Children's Services appoints a board of community members to lead each Child and Family Services Authority (CFSA). Legislation, along with a memorandum of understanding and an annual business plan approved by the Minister, guides activities for each board. CFSAs provide regional supports and services to children and families.

A chief executive officer is appointed in each region to ensure authority effectiveness. This person oversees the execution of the board's policies and decisions. More than 2,000 Alberta Government employees work in the province's 10 CFSAs. When appropriate, CFSAs contract community-based agencies to deliver services.

Each CFSA:

- Manages services for children, families and other community members, excluding First Nations reserves;
- Ensures children and families have access to high quality services;
- Assesses needs and sets priorities;
- Monitors and assesses the provision of child and family services for quality assurance;
- Plans and allocates resources;
- Ensures provincial policies and standards are followed; and
- Works with other CFSAs, DFNAs, public and private bodies, and government to coordinate services for children and families.

CHILD AND FAMILY SERVICES AUTHORITIES

Southwest Alberta Child and Family Services • REGION 1
Southeast Alberta Child and Family Services • REGION 2
Calgary and Area Child and Family Services • REGION 3
Central Alberta Child and Family Services • REGION 4
East Central Alberta Child and Family Service • REGION 5
Edmonton and Area Child and Family Services • REGION 6
North Central Alberta Child and Family Services • REGION 7
Northwest Alberta Child and Family Services • REGION 8
Northeast Alberta Child and Family Services • REGION 9
Métis Settlements Child and Family Services • REGION 10

(See included in this annual report the financial information of each of the CFSAs.)

DELEGATED FIRST NATIONS AGENCIES (DFNAS)

To better meet the unique needs of aboriginal children, Children's Services recognizes the need for First Nations and Métis communities to have a role in the design, implementation and evaluation of child intervention services. Presently, there are 18 DFNAs in Alberta, with Child Intervention Agreements, providing services to 40 of the 47 First Nations under the *Child, Youth and Family Enhancement Act*. DFNAs receive funding from Indian and Northern Affairs Canada, as set out in Policy Directive 20-1.

FAMILY AND COMMUNITY SUPPORT SERVICES

Family and Community Support Services (FCSS) is an 80/20 funding partnership between the province, municipalities and Métis Settlements. FCSS communities design and deliver social programs based on the key principle of local decision making, when setting priorities and allocating resources. Preventative in nature, programs promote and enhance individual, family and community well-being. A total of 296 municipalities and Métis settlements, organized into 198 programs, provide FCSS services throughout Alberta.

YOUTH SECRETARIAT

The Youth Secretariat works with youth, families, MLAs, ministry representatives, government departments and stakeholders to address issues facing Alberta's youth. The Secretariat maintains a Youth Advisory Panel to provide an ongoing youth perspective and to develop effective youth issue solutions. Ray Danyluk, MLA for Lac La Biche-St. Paul, chairs the Youth Secretariat.

APPEAL SECRETARIAT

The Appeal Secretariat was established to facilitate the appeal process within the Children's Services Ministry. This includes providing support to the Child, Youth and Family Enhancement Appeal Panel, the Family Supports for Children with Disabilities Appeal Panel and the Social Care Facilities Licensing Appeal Panel. In this role, the Appeal Secretariat is responsible for scheduling hearings, communicating decisions to parties of appeal and answering questions about the appeal process.

SOCIAL CARE FACILITIES REVIEW COMMITTEE

The Social Care Facilities Review Committee is a citizen panel appointed by the Lieutenant Governor In Council. Its legislated mandate is to review provincially funded social care facilities and day care centres, as well as investigate complaints upon the Minister's request. The committee reports directly to the Minister and is chaired by Art Johnston, MLA for Calgary-Hays.

OFFICE OF THE CHILD AND YOUTH ADVOCATE

The Office of the Child and Youth Advocate represents the rights, interests and viewpoints of children and youth receiving services under the *Child, Youth and Family Enhancement Act* and the *Protection of Children Involved in Prostitution Act*. The Child and Youth Advocate provides information and advice to the Minister about the nature, adequacy, availability, accessibility, effectiveness and appropriateness of services that are offered to children and youth under those acts. The Child and Youth Advocate also supports the involvement of natural advocates who want to assist youth who are receiving services from the ministry, and to provide training and support to individuals and organizations interested in advocating for vulnerable children and families in their communities.

OFFICE FOR THE PREVENTION OF FAMILY VIOLENCE AND BULLYING

The Office for the Prevention of Family Violence and Bullying coordinates and supports cross-government and community partners in developing provincial leadership and community capacity to deliver and monitor a coordinated and collaborative community response to family violence and bullying – from prevention, to protection, to outreach and follow-up. This work is guided by the *Protection Against Family Violence Act*, and the family violence implications under the *Child, Youth and Family Enhancement Act* and *Family Support for Children with Disabilities Act*. The Office also has responsibility for the Women's Emergency Shelter program.

SERVICE QUALITY DIVISION

The Service Quality Division provides leadership and support to ensure children and families receive high quality services, focusing on better outcomes for children. The division sets quality assurance standards and implements outcomes evaluation. The division is responsible for program policy and service design. Staff in this division support CFSAs and DFNAs by offering guidance and expertise in accountability and program delivery, as well as by managing provincial programs. Staff also support CFSAs and DFNAs in training, case consultation, mentoring, mediation and monitoring compliance to provincial standards.

COMMUNITY STRATEGIES DIVISION

The Community Strategies Division provides leadership that supports the implementation of preventative programs and builds capacity and resiliency of community-based services. Key areas of responsibility include: the Alberta Children and Youth Initiative (ACYI); Parent Link Centres; Bullying Prevention Strategy; Fetal Alcohol Spectrum Disorder; issues and activities related to youth; research initiatives; CFSA Board governance; National Child Welfare outcomes; and, supporting the needs of aboriginal children and youth through the Aboriginal Policy Initiative, by reviewing existing and future policies, programs and services to ensure the needs of aboriginal communities are addressed. The division also provides administrative support to the Appeal Secretariat, Youth Secretariat, Advancing Futures Bursary Program, FCSS and Alberta's Promise.

STRATEGY AND SUPPORT SERVICES DIVISION

The Strategy and Support Services Division provides strategic and operational support for the ministry's policy and program development and service delivery.

The division coordinates and provides the ministry with:

- Business planning and corporate strategic operations;
- Performance measurement and reporting strategies;
- Legal policy advice, legislative planning and support;
- Financial planning, budgeting, analysis and monitoring processes;
- Human resource strategies, initiatives and services;
- Data resources, records management, information systems and technology infrastructure; and,
- Advice relating to the *Freedom of Information and Protection of Privacy Act.*

COMMUNICATIONS

The Communications branch provides useful, timely and clear information about Children's Services. Staff provide the ministry, as well as cross-government groups, with communications planning and consulting support. The branch plans and implements communications programs and provides ministry media relations. Graphic design, advertising, Internet development, and print production assistance and advice are provided by the branch. The branch also supports communication initiatives for CFSAs.

ALBERTA'S PROMISE

Alberta's Promise is an initiative that encourages all sectors of the community to direct more resources to benefit our children and youth. Alberta's Promise was founded on the belief that it takes an entire community, working together, to raise a child and was established to build upon the communities' desire to support children and youth programs. Alberta's Promise receives strategic advice from the Premier's Council, chaired by the Premier of Alberta and including 70 other business, foundation, agency and community leaders from throughout Alberta. The Council works to mobilize the corporate sector and the community to form partnerships with not-for-profit organizations that provide programs and services to children and youth.

Ministry core businesses

Recognizing the crucial role parents play in the development and welfare of a child, the Government of Alberta has committed to providing parents and caregivers with the supports they need to succeed. This is done by legislating that children's services are a responsibility shared between parents, communities, CFSAs, child care practitioners, other levels of government and the public. The following core businesses, goals and outcomes reflect both the responsibility and the commitment the ministry shares with municipalities (through FCSS), First Nations and Métis Settlements (through CFSAs), and DFNAs to achieve positive outcomes for Alberta children and families. Within this system of shared responsibility, Children's Services, under the direction of the Minister, takes the lead in three core businesses.

CORE BUSINESS 1:

Promoting the development and well-being of children, youth and families

GOAL 1: Children and youth have a healthy start in life and the supports they need to reach their potential

Children's Services works with ministry partners to increase the ability of children to have a healthy start in life and the opportunities they need to learn, grow, excel and achieve their potential. Outcomes are:

- Children and youth are physically, emotionally, socially, intellectually and spiritually healthy; and,
- Children and youth meet individual developmental milestones.

CORE BUSINESS 2:

Keeping children, youth and families safe and protected

GOAL 2: Families will be safe, healthy, and able to promote children's development

GOAL 3: Children in need will be protected and supported by permanent, nurturing relationships

The ministry promotes the ability of families to provide safe and nurturing environments for their children's development and implements services to improve outcomes for children and families. Outcomes are:

- Children, youth and families overcome at-risk circumstances;
- Children, youth and families are safe, healthy, resilient and self-reliant;
- Children and youth in need are protected from further abuse and neglect; and,
- Children and youth are placed in secure and stable environments that allow for the development of life-long relationships and connection to family and community.

CORE BUSINESS 3:

Promoting healthy communities for children, youth and families

GOAL 4: The well-being and self-reliance of aboriginal children, families and communities will be promoted, supported and comparable to that of other Albertans

GOAL 5: Communities will have the capacity to plan and deliver services that promote the well-being of children, youth and families

The ministry will strengthen the capacity and self-reliance of communities, including aboriginal communities, to plan and deliver services to meet the needs of children, youth and families. Outcomes are:

- Aboriginal communities have the capacity to meet the needs of children, youth and families;
- There is a reduced number of aboriginal children represented in the child welfare caseload;
- Aboriginal children, youth and families receive culturally appropriate services;
- Alberta is recognized for leadership in promoting strong children, families and communities at the international, national, provincial and community levels;
- Communities are responsive to the needs, values and cultures of children and their families;
- Children, youth and families participate in decisions that affect them; and,
- Albertans are involved in addressing issues faced by children, youth and families.

Summary of Key Activities

Children's Services marked another successful year in 2004-2005 with the implementation of two important pieces of legislation, and responding to societal trends impacting the safety and well-being of children and youth.

Legislation and Policy

Two new pieces of legislation were proclaimed in 2004. The *Family Support for Children with Disabilities Act*, proclaimed August 1, 2004, is the first act in Canada to provide separate legislation for children with disabilities and their families.

The new *Family Support for Children with Disabilities Act* improves the way services are delivered to children and families because it:

- Provides supports to families including while their child is awaiting a formal diagnosis;
- Recognizes the needs of families, not just the needs of the child;
- Promotes better co-ordination and integration of services;
- Improves families' access to information;
- Recognizes families as partners in the planning and decision-making process regarding services that will best meet their needs;
- Ensures greater consistency in families' access to support and services across the province; and,
- Recognizes and respects the ability and responsibility of families as the primary source of care and support for their child.

> The *Family Support for Children with Disabilities Act*, proclaimed August 1, 2004, is the first act in Canada to provide separate legislation for children with disabilities and their families.

The *Child, Youth and Family Enhancement Act* was proclaimed on November 1, 2004. The act addresses the development, well-being, safety and protection of Alberta's children, youth and families. It supports:

- Increasing services to families before they reach crisis;
- Establishing, more quickly, permanent homes for children in government care; and,
- Strengthening the involvement of First Nations, Métis, and other aboriginal communities in planning for their children.

To support implementation of the new act, authority, agency, ministry staff, and foster parents have been trained, and new policies, regulations and an evaluation framework have been developed.

Under the Children's Services Appeal Secretariat, Family Support for Children with Disabilities and Child, Youth and Family Enhancement appeal panels have been established. They ensure a fair, impartial and independent review of decisions for any child, guardian of a child, foster parent, or other person who is affected by a decision. The appeal panels may confirm, reverse or vary the decisions.

Phase 1 of the *Social Care Facilities Licensing Act* review was completed, including national and international research, and the preparation of draft policy papers.

The *Child, Youth and Family Enhancement Act* was proclaimed on November 1, 2004. The act addresses the development, well-being, safety and protection of Alberta's children, youth and families.

Program Initiatives

Over the past year, noteworthy accomplishments were achieved through a number of key initiatives.

- Led the successful development of Alberta's first cross ministry business plan — *Strategy for the Prevention of Family Violence and Bullying.*
- Implemented the Alberta Child Care Accreditation Program, on October 1, 2004, to improve standards, promote excellence in child care and help families select the best child care for their children. This program enables Alberta's licensed day care centres and family day home agencies to choose to become accredited and receive financial support for staff wages, professional development and quality improvements. It provides ongoing support to sustain the delivery of high quality early learning and child care services.
- Enabled new access for parents to four core services—parent education, family support, early learning and care, and information and referrals—through newly established Parent Link Centres.
- Worked with the Youth Advisory Panel to receive ongoing advice on planning and accomplishing community initiatives, including centennial activities and the Great Kids Award. Youth facilitators were trained and actively participated in developing and delivering Youth Forums; they facilitated and presented at key ministry events, such as the Roundtable on Family Violence and Bullying; and they provided input into the *Child, Youth and Family Enhancement Act*, as well as issues relating to youth in transition and peer-on-peer violence. These activities are consistent with the philosophy to involve service recipients in shaping ministry business.
- Advanced the goal to increase the number of youth in care taking post-secondary education. A significant number of youth, including teen parents of young children, attend school through the Advancing Futures Bursary Program. A number have graduated, reflecting early success in meeting this goal.
- Completed a cross-government inventory of all Fetal Alcohol Spectrum Disorder (FASD) related programs and services under ministry leadership. The FASD Cross Ministry Committee now includes ten ministries and has developed a process to gather input from stakeholders on a draft government-wide FASD Strategic Plan.

- Undertook initial preparation for Alberta to host the World Conference on Prevention of Family Violence 2005.
- Approved a strategic plan called the *Prevention of Sexual Exploitation of Children and Youth* to address the growing and urgent need to protect sexually exploited children. The plan's four actions were developed in consultation with partnering ministries and focus on: education and awareness, prevention and protection, enforcement, and research and training.
- Expanded the scope of the *Protection of Children Involved in Prostitution* (PChIP) initiative to focus on preventative and treatment services for children and youth at risk of sexual exploitation through Internet luring and inappropriate use of chat lines and pagers.
- Commenced negotiations on a new child care agreement with counterparts from other provinces, territories and the federal government. Agreed to the general principles of quality, universal inclusiveness, accessibility and developmental.

Implemented the Alberta Child Care Accreditation Program, on October 1, 2004, to improve standards, promote excellence in child care and help families select the best child care for their children.

Partnerships

- Researched and planned to develop the Integrated Child Exploitation Unit (ICE), which supports law enforcement specializing in investigating cases of child pornography distribution. ICE is comprised of RCMP and local police force members.
- Set up partnering activities with Internet service providers and the telecommunications industry. Initial results involve working as ongoing partners in public education to increase awareness about internet luring and child pornography.

- Established a corporate partnership to highlight the achievements of 100 Great Kids Award recipients.
- Partnered with other ministries to complete an inventory of all government FASD related programs and services, create an FASD provincial strategic plan, participate in an FASD awareness and prevention campaign and established an FASD Research Network with representation from Manitoba, Saskatchewan, Alberta, BC, the Yukon, the Northwest Territories and Nunavut.
- Partnered with the Alberta Centre for Child, Family and Community Research (ACCFCR) to develop a strategic research plan. ACCFCR conducted research about FASD prevention and interventions, family supports for children with disabilities, successful transitions for youth to adulthood, and the prevention of the sexual exploitation of children and youth.
- Supported the establishment of 20 community-based Parent Link Centres that provide parents with access to education; early childhood development and care; family support; and, information and referrals.
- Worked together with other government ministries under the Alberta Children and Youth Initiative (ACYI) to develop:
  - Information-sharing training modules to help service delivery staff share information across sectors and more effectively provide services and support to children and youth.
  - A prevention of bullying strategy, including a three-year public awareness and education campaign.
  - Action plans to address the prevention of aboriginal youth suicide, in partnership with three aboriginal communities – Lethbridge and surrounding First Nations, High Prairie and surrounding Métis Settlements, and Eden Valley First Nation.
- Developed a *Cross-Ministry Strategy for the Prevention of Family Violence* and Bullying to raise awareness, identify strategies to stop bullying and encourage changes in societal attitudes about bullying.
- Contributed to a proposal for a provincial threat assessment program, led by Alberta Justice. This program would help ministries work better together with cross-ministry and community partners to identify and manage high risk family violence cases.
- Developed the Pediatric Death Review process with Alberta Justice. In aid of this effort, work is underway to amend the *Fatality Inquiry Act*.

Alberta Children's Services
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Results Analysis

Message from the Deputy Minister

With two new pieces of legislation proclaimed in 2004 and a number of important initiatives started, the Children's Services Ministry faced much work in 2004-05. I am pleased to report that it has been a year of great achievements.

The Child, Youth and Family Enhancement Act supports the development and well-being of Alberta's children, youth and families, while keeping them safe and protected. This new act came into force on November 1, 2004, and the ministry has been busy with implementation. We developed new policy and regulations to support the new legislation and undertook extensive training with authority and agency staff and foster parents. We also created a one-day overview training session on our website for distance learning. And, we developed an Evaluation Framework and working committee to evaluate the new act and its implementation.

The Family Support for Children with Disabilities (FSCD) legislation is the first act of its kind in Canada, providing separate legislation for children with disabilities and their families. Since its proclamation on August 1, 2004, we have implemented a new service delivery model; developed policy and procedures manuals; and, completed training on the FSCD legislation, policy and procedures, service delivery model and information system. We'll continue working with our regions to address issues and trends and promote consistency in the application of the FSCD legislation.

Children's Services was involved in a number of important cross-ministry initiatives this past year. We led the development of Alberta's first cross-ministry business plan, the *Strategy for the Prevention of Family Violence and Bullying*, which outlines an action plan for a new provincial response to family violence and bullying.

The partnering ministries of the Alberta Child and Youth Initiative (ACYI) developed and started implementing the *Strategic Plan for the Prevention of Sexual Exploitation of Children and Youth*, to address the growing and urgent need to protect sexually exploited youth. The plan focuses on education and awareness; prevention and protection; enforcement; and, research and training. The ministry participated in developing a plan for a province-wide bullying prevention campaign to be launched in 2005-06. We also completed the *Protection of Sexually Exploited Children and Youth Manual*, which provides information on risk factors for becoming involved in prostitution, and information for parents and service providers.

The Fetal Alcohol Spectrum Disorder (FASD) Cross-Ministry Committee completed a cross-government inventory of all FASD related programs and services and created a provincial strategic plan for FASD. The cross-ministry committee also hosted this year's Alberta FASD Conference, *Promising Practices, Promising Futures*, where delegates learned about the many important FASD programs, services and initiatives at work across Alberta, and across a number of government ministries. The FASD Research Network – with representation from Manitoba, Saskatchewan, Alberta, BC, the Yukon, the Northwest Territories and Nunavut – was established in March. It's a great opportunity for us to share resources with, and receive policy guidance from some of the best and brightest minds in FASD research and planning.

In partnership with the Alberta Centre for Child, Family and Community Research (ACCFCR), we developed a Strategic Research Plan. The ACCFCR conducted state of the evidence reviews on FASD prevention and interventions, as well as on family supports for children with disabilities. We also worked with the Centre to explore ways to support the prevention of sexual exploitation of children and youth and support successful transitions for youth to adulthood.

In October, we implemented the Alberta Child Care Accreditation Program. A first in Canada, this program is another example of how Alberta continues to lead the way in the delivery of quality child care programs and services. The accreditation program enables Alberta's licensed day care centres and family day home agencies to choose to become accredited, show that they exceed regulatory standards and receive financial support for staff wages, professional development and quality improvements. Already, 250 day care centres and family day home agencies have applied for accreditation.

We are also helping parents through our newly established network of Parent Link Centres. With 20 Parent Link Centres across the province, we are able to connect parents to the resources they need, and provide them with support, to help them do the best job of raising their children.

This ministry is one of the hardest working ministries with some of the most talented and remarkable people in the province. In recognition, we developed the Children's Services Human Services Worker Award to honour the caring men and women who work on the front line to make a difference in the lives of Alberta's children, youth and families. These are the Children's Services employees involved in adoptions, foster care, support for children with disabilities, intervention services and family enhancement, who deserve appreciation for the selfless contributions they make to children and families, each and every day.

It is with the commitment and dedication of all staff at Children's Services, and their contracted services, that make our successes possible. Together, we will build strong children, families and communities in Alberta.

Maria David-Evans
DEPUTY MINISTER

This ministry is one of the hardest working ministries with some of the most talented and remarkable people in the province.

AUDITOR
GENERAL
Alberta

Report of the Auditor General
on the Results of Applying Specified Auditing Procedures to Performance Measures

To the Members of the Legislative Assembly

In connection with the Ministry of Children's Services performance measures included in the *2004-2005 Annual Report of the Ministry of Children's Services*, I have:

- Agreed information from an external organization to reports from the organization.
- Agreed information from reports that originated from organizations included in the consolidated financial statements of the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.
- Checked that the presentation of results is consistent with the stated methodology.
- Checked that the results presented are comparable to stated targets, and information presented in prior years.
- Checked that the performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2004.

As a result of applying the above procedures, I found no exceptions. These procedures, however, do not constitute an audit and therefore I express no opinion on the performance measures included in the *2004-2005 Annual Report of the Ministry of Children' s Services.*

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
July 15, 2005

Discussion and Analysis of Results

The following section outlines the core businesses, goals, strategies and the desired outcomes of the ministry over the past year, along with a measurement of the ministry's performance for the past year.

CORE BUSINESS one

Promoting the development and well-being of children, youth and families

Goal 1

Children and youth have a healthy start in life and the supports they need to reach their potential

Strategies:

- Develop a new Provincial Response to Family Violence with strengthened community-based services and resources for children and other family members and work towards an Alberta free from family violence.
- Develop cross-ministry, community-based parent resources that assist parents with information and skills to give children the best possible start in life, and the supports to learn, grow and succeed.
- Strengthen and integrate early child development services, early screening, child care resources, and cross-ministry and community-based services for children, youth and families with parent resource centres.
- Continue cross-ministry implementation of the Policy Framework for Children and Youth with Special and Complex Needs, including the integrated case management model for children and youth with complex needs.
- Implement child care standards and investigate options that strengthen the ability of families in all communities to care for their children, support children in meeting developmental milestones, and balance home and work.
- Continue to work with partners in the implementation of the Youth in Transition Framework to better address the needs of youth and help them make a successful transition to adulthood including further learning, employment, and adult supports where needed.
- Ensure youth in care and those who recently left care, are provided access to the Advancing Futures Bursary Program to support vocational and educational pursuits.
- Work with other ministries and partners to improve the services aimed at preventing fetal alcohol spectrum disorder, by reducing substance abuse through increased awareness targeted at high-risk mothers, and to address the needs of children, youth and families affected.

- Work with municipalities to strengthen community-based services for children, youth and families through the Family and Community Support Services program.

Accomplishments:

- Worked with participating ministries to implement the Family Violence Initiative. Key accomplishments include:
  - Releasing the report on the Alberta Roundtable on Family Violence and Bullying: *Finding Solutions Together*.
  - Developing a *Cross-Ministry Strategy for the Prevention of Family Violence and Bullying* to raise awareness, identify strategies to stop bullying and encourage changes in societal attitudes about bullying.
  - Approving a *Prevention of Family Violence and Bullying 2005-08 Cross-Ministry Business Plan*.
  - Establishing a Community Incentive Fund program to support local community responses to family violence and bullying.
  - Developing a Community Planning Guide to assist prevention of family violence and bullying stakeholders in local planning.
  - Helping children develop empathy by launching, in partnership with Alberta Education, over 200 new Roots of Empathy programs in Alberta classrooms.
  - Completing the "My Alberta: Violence-Free Contest" which gave 575 children and youth the opportunity to share their thoughts on violence and bullying, as well as their vision for a province free of violence. Eighteen winners received their framed entry and a recognition certificate.
  - Planning for the World Conference on Prevention of Family Violence 2005 in Banff, October 23 to 26.
- Provided parents with information and skills to help their children arrive at school ready to learn and able to reach their full potential by:
  - Assessing, in partnership with Community Development, the role libraries can play in supporting parenting. In May 2004, the province-wide Sure Step bookmark campaign was implemented in all public libraries. In January 2005, $400,000 was allocated to place more than 50 parenting and child development books and videos in every Alberta public library.

  - Connecting parents to resources in 20 Parent Link Centres across the province where parents can access education, early childhood development and care, family support and information and referrals.
  - Releasing *Parent Links: A Network of Resource Centres Serving Parents, Caregivers and Children in Alberta*, a document defining guiding principles, planning and development ideas, best practices, roles and responsibilities.
  - Completing phase 1 of an evaluation of the Parent Link Centre Initiative resulting in the development of a draft outcome measurement framework.
- Continued to implement the Policy Framework for Children and Youth with Special and Complex Needs by:
  - Contributing funding for regional integrated case management teams involving CFSAs, regional health authorities and school authorities to ensure coordinated programs and services.
  - Providing specialized services to children and youth based on the severity of impairment and ensuring all regions now have a Regional Support Coordinator.
  - Providing training to integrated case management teams on a Tracking System, which helps in reviewing supports and services for children and youth with complex needs.
- Implemented the Alberta Child Care Accreditation Program on October 1, 2004, to improve standards, promote child care excellence and help families make the best child care choices for their children. Through this program, Alberta's 500 licensed day care centres and 87 family day home agencies can choose to become accredited and receive financial support for staff wages, professional development and quality improvement, as well as ongoing support to sustain the delivery of high quality early learning and child care services. Forty per cent of licensed child care centres and contracted family day home agencies have applied for, and are working towards accreditation.
- Co-hosted the Alberta Workshop on Methamphetamine in September 2004, to identify the prevalence of methamphetamine use in Alberta and proposed strategies to respond to the issue.
- Developed a draft inventory of government education and training resources for youth in transition and completed a *Learning, Employment and Career Resources Youth Services Directory*, which lists government education and training programs for youth. These projects were conducted by the cross-ministry Youth in Transition working group.

- Sponsored, under the Advancing Futures Bursary Program, youth who have or continue to be under government care, to attend 63 different institutions in Alberta. Using the bursary program, a total of 231 youth attended school, including 57 single parents. So far, 22 youth have graduated.
- Continued to support the implementation of government strategies to prevent FASD by:
  - Completing a cross-government inventory of all FASD related programs and services and a provincial strategic plan for FASD, through the Cross Ministry FASD Committee.
  - Exchanging information on training, resources and education at the annual FASD *Promising Practices, Promising Futures* conference, held in Red Deer for more than 200 participants.
  - Launching two successful FASD public awareness and education campaigns, including a general campaign: Your Decision - Baby's Future and a youth campaign: Alcohol and Pregnancy Don't Mix.
  - Establishing the Canada Northwest FASD Research Network through the Canada Northwest Fetal Alcohol Spectrum Disorder Partnership and the Alberta Centre for Child, Family and Community Research. This Network brings together leading FASD experts to advance research projects and build relationships within and across its jurisdictions.
- Strengthened community-based services by:
  - Developing an FCSS financial review guide to assist municipalities, Métis Settlements and accounting/audit firms in preparing FCSS Annual Reports.
  - Continuing to implement the FCSS "Making a Difference" outcome measures system that helps identify how FCSS programs and services support major ministry initiatives including the family enhancement options in the new *Child, Youth and Family Enhancement Act*.
  - Creating partnerships between FCSS programs across the province and CFSAs to deliver programs that are preventative in nature, such as FASD, Home Visitation, Parent Link Centres, and Student Health Initiatives. The Community Partnership Enhancement Fund was instituted to encourage this kind of community partnership.

Outcomes and Performance Measures

OUTCOME(S):

- Children and youth are physically, emotionally, socially, intellectually and spiritually healthy.
- Children and youth meet individual developmental milestones.

PERFORMANCE MEASURE:

Percentage of expenditures in the children/youth project and service category of Family and Community Support Services

The ministry, participating municipalities and Métis Settlements, jointly fund preventative social programs through FCSS. These projects and services provide a strong network of support to assist Alberta's children and families before they need crisis intervention. FCSS enhances community support of initiatives targeting children and youth, reflecting the ministry's commitment to promoting the social development of children and their families.

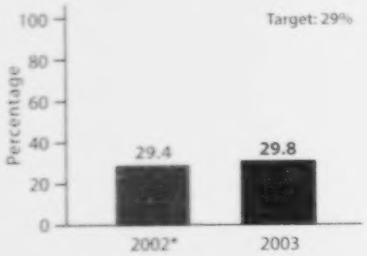
Each year, participating municipalities and Métis Settlements must submit reports with financial information and a list of projects and services receiving funding. Projects are identified within numerous service categories including children/youth, adults/families, seniors, and community development. The FCSS Regulation requires participating municipalities to submit these reports to the ministry within 120 days (or four months) of the end of the municipality's fiscal year. Municipalities were required to submit 2003 Annual FCSS Program Reports by April 30, 2004. Information for this measure is therefore based on data collected in 2003.

During the reporting period, a total of 293 municipalities and Métis Settlements, organized into 195 programs, provided FCSS services throughout Alberta. Data contained in this report is based on information received from 194 of the 195 programs. The one community that is not included received nominal funding and did not impact numbers reported for this measure.

The result for this measure is 29.8 per cent, which reflects the percentage of FCSS expenditures in the projects and services category for children/youth (Category A, Section 2 of the Annual FCSS Program Report). This is slightly higher than the target of 29 per cent set for 2004-05. Local autonomy is a key FCSS program principle. Because each participating municipality or Métis Settlement determines how their funding is best allocated to serve community needs, some fluctuation in meeting the projected target is expected. The result represents expenditures of slightly higher than $26 million in the children/youth category in 2003. Total expenditures reported in all FCSS projects and service categories slightly exceeded $87.5 million.

FCSS funding to support community initiatives for children and youth reflects the continued commitment to strengthen capacities that transform local knowledge and sensitivity to the needs of children and youth into projects and services that are preventive in nature. The Ministry of Children's Services remains committed to these targets by including a reporting category to capture FCSS funded programs and services provided for Alberta's children and youth.

Percentage of expenditures in the children/youth project and service category of FCSS



*Result for 2002 is re-stated to reflect one decimal place. It was reported as a rounded percentage of 29% in Alberta Children's Services 2003-2004 Annual Report.

Data Source:
Annual FCSS Program Reports
Alberta Children's Services

PERFORMANCE MEASURE:

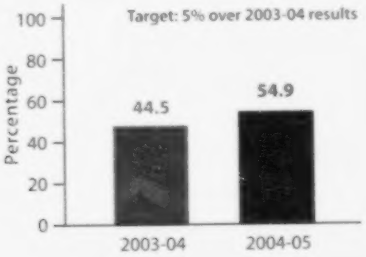
Percentage of child care centres that provide a developmentally appropriate environment for children

This measure assesses the extent to which child care centres are providing a developmentally appropriate environment for pre-school children. Since effective child care service delivery is a partnership, the implementation of this performance measure was built on a joint learning approach with child care centres, regional child care specialists and ministry staff.

To determine the extent child care centres provide a developmentally appropriate environment for children, two internationally recognized program assessment tools were used to assess a random sample of licensed day care centres in the province[7]. Results are based on the number of centres scoring an average of at least five out of seven on the assessment tool. This score is considered good to excellent with respect to providing a developmentally appropriate program for children.

In 2004-05, 54.9 per cent of child care centres achieved a score of five to seven, therefore, providing a developmentally appropriate environment for children. This result is an improvement over last year's result of 44.5 per cent. The target of five per cent over 2003-04 results was exceeded. Increased awareness and use of the tool by the child care community and application of the indicators to their child care environments may have contributed to exceeding the target.

Percentage of child care centres that provide a developmentally appropriate environment for children



Data Source:
Service Quality Division
Alberta Children's Services

This measure has been replaced in the 2005-08 ministry business plan with a measure that focuses on child care accreditation.

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[7] For methodology, see Appendix 2: Performance Measures: Data Sources and Methodology.

CORE BUSINESS two

Keeping children, youth and families safe and protected

Goal 2

Families will be safe, healthy, and able to promote children's development

Strategies:

- Develop a coordinated Provincial Response to Family Violence with strengthened community-based services, resources and supports for children and other family members who witness or are victims of family violence, and improve the services in women's shelters.
- Implement the new *Family Support for Children with Disabilities Act* and policies to re-focus resources for children with disabilities on early intervention and family supports, and better coordinate services among partners so that families obtain consistent, long-term supports for their children and youth.
- Work with other ministries and community partners to develop a seamless continuum of supports to help preserve families and their ability to nurture their children's well-being and development.
- Continue implementing, assessing and adjusting the Alberta Response Model to improve community-based early intervention strategies to assist families overcome at-risk circumstances and care for their own children.

Accomplishments:

- Continued the implementation of the Women's Shelter Information System to inform planning and priority setting for the Women's Emergency Shelter program.
- Provided additional provincial funding for 55 shelter beds in eight communities across Alberta.
- Developed a framework to identify critical factors to help determine the need and potential location of new shelter resources, as well as preventative alternatives to shelter spaces.

- Proclaimed the *Family Support for Children with Disabilities Act* on August 1, 2004. This is the first separate, distinct legislation in Canada for children with disabilities and their families. It provides a wide range of supports and services to strengthen a family's ability to promote their child's growth and development. The Family Support for Children with Disabilities program recognizes families as partners in the planning and decision-making process of developing services to best meet their needs.
- Involved parents, service providers, advocates and other community stakeholders in the development of the act, regulations and policy, as members of the Provincial Stakeholder Advisory Committee.
- Established a Provincial Parent Advisory Committee in July 2004, consisting of parent representatives from each CFSA. The committee's role is to enhance the involvement of parents of children with disabilities in the Family Support for Children with Disabilities program. Parent representatives work with their respective authority to establish Regional Parent Advisory Committees.
- Implemented a provincial toll-free telephone line (known as the Child Disability Resource Link) in August 2004 to help make child disability-related information more accessible to families. Child Disability Resource Link information and referral agents provided 1,300 callers with information on where families can access supports and services for children with disabilities.
- Initiated provincial implementation of an assessment framework to incorporate into the case management model. The assessment framework enables case workers to conduct a more thorough, in-depth assessment of children and families in need of intervention. Five CFSAs and two DFNAs are field testing the framework.

Outcomes & Performance Measures

OUTCOME(S):

- Children, youth and families overcome at-risk circumstances.
- Children, youth and families are safe, healthy, resilient and self-reliant.

PERFORMANCE MEASURE:

Percentage of children and youth reported to be at-risk who received family enhancement services and afterwards, did not require child protection services

This measure addresses the differential response component of the new casework model introduced in conjunction with the proclamation of the *Child, Youth and Family Enhancement Act* in November 2004.

Differential response allows the ministry to provide less disruptive family enhancement services when it is believed assessed needs can be satisfied with voluntary, short term, solution-focused intervention. This intervention approach helps families address concerns while they are more manageable and decreases the likelihood of protective services being needed in the future.

Community referrals, reports, and requests for services are the primary way of identifying children who need intervention. During the initial screening, information is gathered to make a preliminary assessment about whether there is a need for intervention, family enhancement services or protective services.

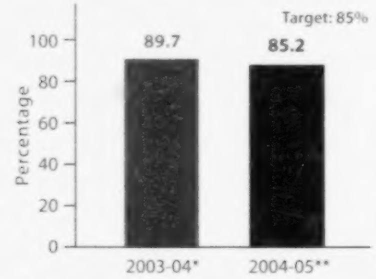
This measure reflects whether family enhancement services adequately meet the intervention concerns described by the families. These concerns may have been identified when a report was made to Children's Services, or at any point during the assessment or delivery of intervention services.

For this measure, all children who received family enhancement services were tracked from April 1, 2004 to March 31, 2005, inclusive. Further tracking determined how many of these children needed protective services at any point. These open child protection files indicate children deemed in need of protective services.

For 2004-05, 85.2 per cent of children and youth received family enhancement services and afterwards, did not require child protection services. The result exceeds the ministry target of 85 per cent.

The result variance between 2003-04 and 2004-05 may be indicative of family enhancement services becoming more integrated with child protection services as a result of implementation of the *Child, Youth and Family Enhancement Act*.

Percentage of children and youth reported to be at-risk who received family enhancement services and afterwards, did not require child protection services



* Based on children referred to Family Enhancement Services.
** Based on children having received Family Enhancement Services.

Data Source:
Child Youth Information Module (CYIM)
Alberta Children's Services

PERFORMANCE MEASURE:

Percentage of adults staying at government-funded women's emergency shelters who report that they are better able to keep themselves and the children under their care safer from abuse

As part of its commitment to make a difference for families at risk, the ministry addresses family violence by funding women's emergency shelters to help families overcome their circumstances and become safe, healthy and self-reliant. These facilities provide a temporary safe place for family violence victims as well as services to help victims in the future.

This measure helps indicate the extent to which shelter services have reduced the vulnerability of adults and/or their children, who were shelter residents, to future risks of abuse. The measure is based on an exit survey[1] of adults who have stayed at shelters, alone or with dependents. The 2004-05 performance measure result is calculated on the basis of the exit survey conducted between April 1, 2004 and March 31, 2005, inclusive.

This year, 18 of the 28 government-funded women's shelters were included in the reporting of this measure. Ten shelters were excluded from this year's reporting. Of these shelters, nine administered the survey to adults who were not eligible, resulting in these shelters' data being unusable. One shelter encountered technical issues, resulting in significant data loss.

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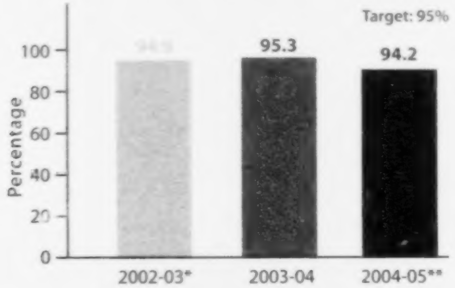
[1] For methodology, see Appendix 2: Performance Measures: Data Sources and Methodology.

Speaking to this measure, the survey uses the statement, "As a result of my shelter stay, I am more able to keep myself (and the children in my care) safer from abuse". The result is based on the sum of the responses "strongly agree" and "agree". As indicated in the following chart, of respondents providing a valid response, 94.2 per cent of them strongly agreed or agreed with the statement. The target set for this measure is 95 per cent.

Although the 2004-05 result falls short of the target, it demonstrates the significance of shelter services in supporting positive change for recipients during short-term shelter stays. In many cases, shelter clients rely on a number of other systems' responses to increase their safety levels. Obtaining justice and social support, as well as assistance with legal issues, also increase safety and stability for people leaving abusive relationships. Coordination of these other system responses and resolving related issues are vital considerations in enhancing shelter service delivery.

Percentage of adults staying at government-funded women's emergency shelters who report that they are better able to keep themselves and the children under their care safer from abuse



* Based on 7 month survey data: September 2002-March 2003.

** Representing 18 of 28 government-funded women's emergency shelters.

NOTE:
- 2002-03 and 2003-04 results have been restated to one decimal place.
- 2002-03 and 2003-04 target was 75%.

Data Source:
Women's Emergency Shelter Outcome Exit Survey
Alberta Children's Services

PERFORMANCE MEASURE:

Percentage of families accessing ministry programs that indicate positive impacts for their children

One key outcome indicator for how programs and services are performing involves feedback from the users of those programs and services. This measure involves client surveys of key ministry programs. Clients provide feedback on their satisfaction with services received and their perception of the program's impact on their family.

Data for this measure comes from bi-annual client surveys[4] in three program areas: Foster Care, Adoption, and Child Care Subsidy.

Results are based on a question included in each of the three program surveys. Each result reported is the sum of the responses "strongly agree" and "agree" to the survey question. The target for each program survey result is 85 per cent.

(1) Foster Care Program

The result reported is in response to the question: "The services provided to you by the Foster Care Program have had a positive impact on your foster child". In 2004-05, 84.2 per cent of respondents agreed their foster care child was positively impacted by Foster Care Program services. This is an increase over the 2002-03 survey result of 79.0 per cent and less than 1.0 per cent below the 2004-05 target of 85 per cent. One factor that may have affected the higher result in 2004-05 is the implementation of the Foster Care Review recommendations.

(2) Adoption Program

The result reported is in response to the question: "Overall, would you agree that the services provided to you by the adoption program have had a positive impact on your adopted child or the child placed in your care?" In 2004-05, 81.4 per cent of clients who had an adopted child in their care agreed that their child had been positively impacted by Adoption Program services. This result is lower than the 2002-03 survey result of 86.1 per cent. The 2004-05 target of 85 per cent was not met. One factor that may have affected the lower result in 2004-05 is the extraordinary increase in the demand for adoption services. Introduction of the Adoption Website stimulated an increase in adoption applications of 48 per cent between 2002-03 and 2004-05. This has impacted the service delivery response time for adoption applicants, which may have influenced this year's survey result.

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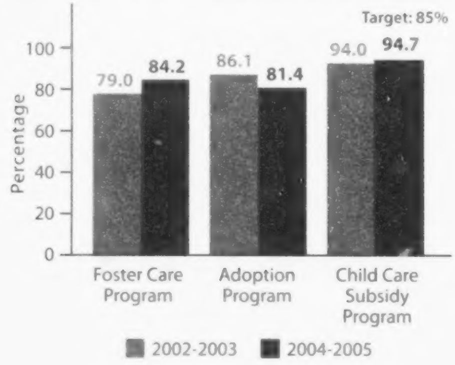
[4] For methodology, see Appendix 2: Performance Measures – Data Sources and Methodology.

(3) Child Care Subsidy Program

The result reported is in response to the question: "Please indicate your degree of agreement with the following statement: The Child Care Subsidy Program has had a positive impact on my child/children". In 2004-05, 94.7 per cent of respondents agreed the Child Care Subsidy Program had a positive impact on their child. The result has essentially remained the same in comparison to the 2002-03 survey result of 94.0 per cent. The 2004-05 target of 85 per cent was exceeded.

Percentage of families accessing ministry programs that indicate positive impacts for their children



Data Source:
Foster Care Program Survey, 2002-03 and 2004-05
Adoption Care Program Survey, 2002-03 and 2004-05
Child Care Subsidy Program Survey, 2002-03 and 2004-05
External Contractor, Alberta Children's Services

These client surveys are conducted every two years. The measure will be reported on again in 2006-07.

Goal 3

Children in need will be protected and supported by permanent, nurturing relationships

Strategies:

- Implement the new *Child, Youth and Family Enhancement Act* which will improve the safety and well-being of children, involve families and children in decision making, assure quality services to promote children's development, shorten the time children spend in government care, and unite children with their families or other permanent, nurturing homes.
- Implement the recommendations of the Foster Care Review to better respond to the needs of children in care.
- Improve the Adoptions Program and Post-Adoption services to increase the number of children in need that are placed in permanent, nurturing homes through increased media recruitment and enhanced post-adoptive supports.
- Continue to develop a quality assurance system to improve the quality, consistency, and accountability of child protective services across the province and outcomes for children and families.
- Work with partners to develop the Office of the Children's Lawyer to provide children with access to lawyers in contentious access and custody challenges and when children are harmed while in care.
- Re-focus preventive and treatment services for the protection of children and youth at risk of or involved in prostitution or other forms of sexual exploitation.
- Review the *Social Care Facilities Licensing Act* to promote quality of care in social care facilities.
- Ensure that intentional and formal transition planning occurs for all youth in care.

- Improve access to mentoring programs to help increase the educational attainment of children and youth in care, and ensure that service plans are in place to support the needs for a successful transition of youth to adulthood.
- Further develop the role of the Child and Youth Advocate to ensure that children in the system are heard and their rights protected.

Accomplishments:

- Proclaimed the *Child, Youth and Family Enhancement Act* on November 1, 2004. It supports the development, well-being, safety and protection of Alberta children, youth and families by:
  - Increasing services to families before they reach crisis.
  - More quickly establishing permanent homes for children in government care.
  - Strengthening the involvement in planning by First Nations, Métis and other Aboriginal communities.
- Trained approximately 3,200 individuals and 152 participating agencies to support implementation of the act.
- Implemented Foster Care Review recommendations, including developing a new foster parent classification system and training model. New foster care training modules were piloted for delivery in 2005.
- Increased Permanent Guardianship Order adoptions by 17 per cent over 2003-04.
- Implemented the Supports for Permanency Program, with a focus on increasing adoptions and private guardianships.
- Increased CFSA use of the adoption website by 10 per cent and increased adoption placements of children in government care 50 per cent over the last two years, since the website's launch.
- Streamlined the adoption service delivery process.
- Focused on child intervention service quality through improved evaluation and review initiatives including:
  - Implementing a special case review process of serious incidents including child fatalities.

  - Investigating foster and group care facilities.
  - Reviewing permanency planning for children in care.
  - Developing a risk assessment model.
  - Enhancing provincial monitoring and auditing procedures.
  - Establishing a file review process for DFNAs.
- Continued to partner with Alberta Justice to develop the Pediatric Death Review process and facilitated the process by amending the *Fatality Inquiry Act*.
- Designed a Youth Exit Survey to obtain firsthand information on the experiences of 17 year-old youths receiving government services and supports. This new research initiative and quality assurance mechanism will provide the ministry with unique, valuable insights into the perspectives of the primary recipients of services and programs to make improvements for operational efficiency and effectiveness.
- Approved funding for the Speaking For Themselves pilot project, ready to be implemented to provide independent legal representation to children in high conflict custody/access cases.
- Approved, in consultation with partnering ministries, a *Strategic Plan for the Prevention of Sexual Exploitation of Children and Youth*. It focuses on four actions: education and awareness; prevention and protection; enforcement; and research and training. It includes:
  - Approving a cross-ministry communications strategy.
  - Establishing initial work linkages with Internet service providers and the telecommunications industry as ongoing partners in public education and awareness.
- Expanded the scope of the Protection of Children Involved in Prostitution (PChIP) initiative to focus on preventative and treatment services for children and youth at risk of sexual exploitation through Internet luring and inappropriate use of chat lines and pagers. The PChIP awareness manual was updated and new resource materials, such as postcards and brochures, were developed for youth, parents and professionals.
- Supported research and initial planning to develop the Integrated Child Exploitation Unit (ICE) to support law enforcement activities. ICE is comprised of members

from local police forces and the RCMP who specialize in investigating cases involving the distribution of child pornography.

- Partnered with the Alberta Centre for Child, Family and Community Research to explore ways to support the prevention of sexual exploitation of children and youth and support successful transitions for youth.
- Completed Phase 1 of the *Social Care Facilities Licensing Act* Review. It includes national and international research and the preparation of draft policy papers on both child and adult facilities.
- Improved access to mentoring programs by:
  - Working with the Youth Restoration Action Project to consider mentoring supports as conditions of judicial sentencing.
  - Working with the University of Calgary's Faculty of Social Work Bachelor's Program to develop a mentoring program.
  - Completing a Mentorship Framework to address how to increase mentoring options for youth at risk and particularly youth in care, and increasing awareness and involvement of corporate and community partnerships, mentoring organizations, alumni groups and other programs.
  - Developing a database of mentoring organizations.
  - Completing an Advancing Futures Bursary e-mentoring program.
- Implemented a community advocacy initiative to engage the community as a source of support for children and youth through the Child and Youth Advocate's office. Eight grants were issued to community organizations. The Child and Youth Advocate provided 43 advocacy-training workshops to 473 participants across the province.

Outcomes & Performance Measures

OUTCOME(S):

- Children and youth in need are protected from further abuse and neglect.
- Children and youth are placed in secure and stable environments that allow for the development of life-long relationships and connection to family and community.

PERFORMANCE MEASURE:

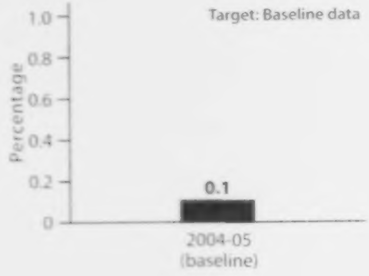
Percentage of children who suffer injury that results in hospitalization or death while receiving child protection services

Keeping children protected from harm is a key priority. This measure describes the proportion of children receiving child protection services who experience a serious injury that results in hospitalization or in death, regardless of the type of injury (for example, accidental injuries or self-inflicted injuries).

In the 2003-04 ministry annual report, it was reported that 0.2 per cent of children suffered a severe injury that resulted in hospitalization or death while receiving child protection services. In order to improve the consistency and quality of our data in respect to this measure, the methodology has been changed. Specifically, the definition of a "serious injury" has been revised to clarify that an admission to a hospital is an overnight stay. Due to this change, the data from 2003-04 is not comparable to the data from 2004-05 as was intended.

In 2004-05, 0.1 per cent of children (14 children) suffered an injury that resulted in hospitalization or in death while receiving child protection services. In order to establish annual business plan targets, a set of data is established as a baseline and used to measure the impact of changes over time.

Percentage of children who suffer injury that results in hospitalization or death while receiving child protection services



Data Source:
Child Youth Information Module (CYIM)
Alberta Children's Services

PERFORMANCE MEASURE:

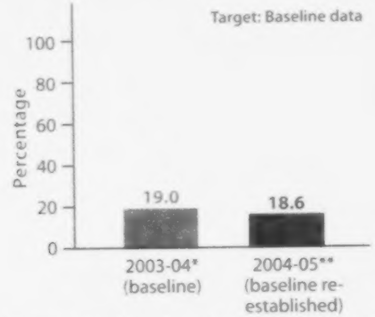
Percentage of children who experience at least one incident of child maltreatment within 12 months of a previously confirmed incident of child maltreatment

An ultimate goal of child protection services is to protect children from abuse and neglect and to work with families and communities to prevent future incidents of child maltreatment.

This measure describes the proportion of children who experience at least one new incident of child maltreatment within 12 months of a previously confirmed incident of child maltreatment. For this measure, maltreatment includes a wide range of situations from where parents are unable to provide the necessities of life to cases of physical abuse. Recurrence is measured over a set period of time and is potentially an indication of an ongoing problem, or possible maltreatment, which may signal the need for increased intervention services.

In 2004-05, 18.6 per cent of children experienced a recurrence of maltreatment within 12 months of a previously confirmed incident of child maltreatment. In order to establish annual business plan targets, a set of data is established as a baseline and used to measure the impact of changes over time.

Percentage of children who experience at least one incident of child maltreatment within 12 months of a previously confirmed incident of child maltreatment



* Recurrence based on when the investigation was completed.
** Recurrence based on the date the maltreatment occurred.

Data Source:
Child Youth Information Module (CYIM)
Alberta Children's Services

PERFORMANCE MEASURE:

Average number of days a child with an open case spends in care of the Director of Child Welfare until a permanent placement is secured

Social stability provided by a loving, nurturing family is essential for children's healthy development. A vital desired outcome of child intervention services is to see children in care placed, as soon as possible, with a family that re-establishes permanency. Efficient, timely permanent placement eases the stress children experience in coping with family separation. It also reduces government care experiences that are disruptive to continued healthy growth and development.

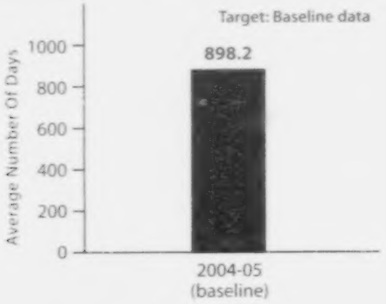
In 2004-05, on average, the ministry provided services to 13,800 children each month. Approximately, 8,400 of these children were in the temporary or permanent care of the Director.

Whenever a child comes into care of the Director, reunification is always the goal and family is the best placement for a child. There are times when reunification is not possible and other permanent placements need to be pursued in order to ensure a child's safety, security and development. The permanency plan and placement will vary depending on the age and needs of a child. If a child is not able to be returned to parental care, a placement with extended family members may be an option. Some children may need life long services and supports and, therefore, a transition to adult services and supports is planned and the child will remain in care until this happens. The ministry assists and supports youth in growing into independent, young adults.

This measure speaks to the ministry's performance in achieving permanent placements for children, through adoption or private guardianship – two key placement types meant to provide ongoing family stability for the child. In 2004-05, the ministry took an average 898.2 days to secure a permanent placement for the 367 children in care who were adopted or for whom a private guardianship order was granted. Of these children, 224 were adopted and 143 went into private guardianships.

Efforts to secure permanent placement for children in care are influenced by a number of factors including the child's age and needs, availability of placement options and service commitment.

Average number of days a child with an open case spends in care of the Director of Child Welfare until a permanent placement is secured



Data Source:
Child Youth Information Module (CYIM)
Alberta Children's Services

PERFORMANCE MEASURE:

Percentage of children in care of the Director of Child Welfare who advance at least one grade level in a specified school year

A child's school performance is one indicator of well-being. School performance is measured according to whether a child advances a grade level over a specified time period. For this measure, data was extracted from the Child Youth Information Module (CYIM) and Alberta Education's Corporate Data Warehouse. These data sources are used to determine the percentage of children in care in grades one to 11 who advance to a higher grade level in the 2003-04 to 2004-05 school periods.[5]

Maltreatment can result in cognitive delay. Cognitive delays can also be the result of pre-existing conditions such as FASD and genetic disorders. Depending on the severity and nature of the child's cognitive delay, the associated limitations may be offset by the caregiver providing supports that are responsive to the child's learning needs.

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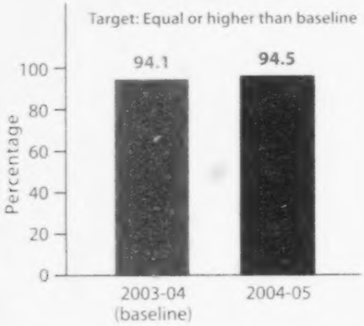
[5] 83.7 per cent of ACS records matched to Alberta Education students' surname, birth date, and first five characters of first middle name (1.9 per cent error rate on 10 per cent sample of matched data).

This measure includes children ages five to 17 who are placed in out-of-home care[6] and attend a registered school program, grades one to 11.

Over the two school years from 2003-04 to 2004-05, 94.5 per cent of children in the ministry's out-of-home care advanced one grade level. This compares to 94.1 per cent reported for 2003-04 as the measure's baseline. This year's result meets the 2004-05 target "equal or higher than baseline" and is consistent with last year's result. This indicates the ministry's consistent support for school performance of children in its care.

This measure has been discontinued in the 2005-08 ministry business plan. However, children-in-care school performance continues to be tracked through a grade level advancement indicator and an age-appropriate grade attainment indicator. This continued effort is part of a national project to develop comparable child welfare outcomes across provinces and territories.

Percentage of children in care of the Director of Child Welfare who advance at least one grade level in a specified school year



Data Source:
Child Youth Information Module (CYIM)
Alberta Children's Services
and
Corporate Data Warehouse
Alberta Education

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[6] Legal status under the *Child Welfare Act* of Alberta applicable to children in out of home care considered in this measure, includes: Order to Extend Custody/Temporary Guardianship Order to 3 Years, Custody Agreement with Guardian, Custody Agreement with Child, Temporary Guardianship Order, Interim Custody Order, Permanent Guardianship Agreement, Permanent Guardianship Order.

CORE BUSINESS three

Promoting healthy communities for children, youth and families

Goal 4

The well-being and self-reliance of aboriginal children, families and communities will be promoted, supported and comparable to that of other Albertans

Strategies:

- Continue to implement the Ministry's Aboriginal Policy Initiative strategies to address gaps and improve the quality of services designed to meet the needs of aboriginal children, youth and families.
- Develop a strategy to improve the participation of and partnerships with First Nations, Métis, and other Aboriginal Peoples in the design and delivery of services to children, youth and families.
- In collaboration with all partners, review provincial policies and programs to ensure that they are working towards meeting the needs of First Nations, Métis and other aboriginal communities.
- Implement strategies with aboriginal communities to prevent and reduce the incidence of youth suicide.
- Promote and improve access to the ministry's bursary and mentoring programs to help increase the educational attainment of aboriginal children and youth in care, to support vocational and educational pursuits and contribute to the supports they need for a successful transition to adulthood.
- In collaboration with First Nations representatives, continue to strengthen the accountability framework for child welfare agreements that support First Nations communities in the governance, delivery and evaluation of child protection and permanency planning services for aboriginal children and youth.
- Develop a new agreement to promote joint planning and action between the ministry, the Métis Nation of Alberta Association, Métis Settlements General

Council and Métis Settlements respecting equitable participation and involvement of Métis peoples in the programs, policies and standards that affect Métis children.

Accomplishments:

- Increased 2004-05 First Nations adoptions by 10 per cent over 2003-04. An increase in First Nations agency foster parent adoptions and use of the Adoption Website contributed to the increase.
- Improved DFNA and CFSA services and outcomes for children and families by working together to address joint concerns, including:
  - Permanency planning, foster care, kinship care and strategies to implement the *Child, Youth and Family Enhancement Act.*
  - Development of a DFNA Director's Training Manual and an Aboriginal Training Module for CFSA and DFNA staff, as well as funding the Point Persons in each Treaty area, to assist with implementation of the *Child, Youth and Family Enhancement Act*.
- Implemented the new delegation model into all 18 DFNA agreements.
- Held regular meetings with DFNAs in each of the treaty areas and invited all DFNAs to participate in the Provincial Enhancement Table.
- Implemented a program to reconnect Blood children to their culture, values and traditions. Region 6 CFSA and Kainaiwa Children's Services Corporation were responsible for implementation.
- Designed and piloted an Aboriginal Policy Checklist in consultation with Sustainable Resource Development, Human Resources and Employment, Education (formerly Learning) and Advanced Education (formerly Learning). The Checklist is used to review provincial policies, programs and services to ensure they address the needs of aboriginal communities.
- Implemented the Aboriginal Youth Suicide Prevention Strategy in three pilot sites, involving eight communities: Eden Valley First Nations; Lethbridge and surrounding First Nations sites; and High Prairie and surrounding Métis settlements. Pilot communities developed action plans tailored to local needs and resources.
- Provided Advancing Futures Bursaries to 29 aboriginal youth.

- Enhanced DFNA accountability through the ministry's effort to monitor child intervention service practice standards, in collaboration with Children's Services and First Nations representatives.
- Enhanced participation and involvement of Métis peoples in programs, policies and standards affecting Métis children by sustaining a close working relationship with the Métis Nation of Alberta Association, under the Alberta/Métis Nation of Alberta Framework Agreement.
- Began discussions to develop working relationship agreements between the Métis Nation of Alberta Association and four CFSAs.
- Established an Aboriginal Advisory Committee to help develop an aboriginal engagement strategy for effective implementation of the Strategy for the Prevention of Family Violence and Bullying.

Outcomes & Performance Measures

OUTCOME(S):

- Aboriginal communities have the capacity to meet the needs of children, youth and families.
- There is a reduced number of aboriginal children represented in the child welfare caseload.
- Aboriginal children, youth and families receive culturally appropriate services.

PERFORMANCE MEASURE:

Percentage of aboriginal children in foster care who are placed with aboriginal families

This measure addresses the proportion of aboriginal children in foster care who are placed with an aboriginal foster family.[7] The measure looks at the placement of children in foster homes that have a similar cultural background and provides one indicator of achieving the outcome "aboriginal children, youth and families receive culturally appropriate services". However, approved foster care is only one resource available for children who require out-of-home placement. Depending on individual case circumstances, there may be alternatives that would provide culturally appropriate placements. The placement of children in a kinship care home (with relatives or members of the community who have a significant relationship with the child), or an aboriginal group home setting would assist in the cultural development of a child. These types of placements are not presently included in this measure.

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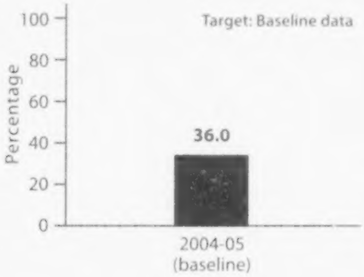
[7] The data source used for this measure provides information on a child's racial origin. Approximately 10 per cent of 2004-05 child protection cases in the Child Youth Information Module (CYIM) did not specify racial origin. Therefore, these results may not include the actual number of aboriginal children. For this measure, an aboriginal foster care family is determined when either the foster care home is denoted as aboriginal or care giver's racial origin is identified as aboriginal in the CYIM. For approximately 26 per cent of the foster homes, it is not known if the foster care family is aboriginal or non-aboriginal. Therefore, the percentage of aboriginal children in foster care who are placed with aboriginal families may actually be higher than reported. Effective March 2005, enhancements have been made to the data source to better capture the racial status of foster home caregivers.

In 2004-05, 36.0 per cent of aboriginal children in foster care were placed with aboriginal foster families. In order to establish annual business plan targets, a set of data is established as a baseline and used to measure the impact of changes over time.

Percentage of aboriginal children in foster care who are placed with aboriginal families



Data Source:
Child Youth Information Module (CYIM)
Alberta Children's Services

PERFORMANCE MEASURE:

Percentage of aboriginal children in care of the Director of Child Welfare who advance at least one grade level in a specified school year

A child's school performance is one indicator of well-being. School performance is measured according to whether a child advances a grade level over a specified time period. For this measure, data was extracted from the CYIM and Alberta Education's Corporate Data Warehouse. These data sources are used to determine the percentage of children in care in grades one to 11 who advance to a higher grade level in the 2003-04 to 2004-05 school periods.[8]

Maltreatment can result in cognitive delay. Cognitive delays can also be the result of pre-existing conditions such as FASD and genetic disorders. Depending on the severity and nature of the child's cognitive delay, the associated limitations may be offset by the caregiver providing supports that are responsive to the child's learning needs.

This measure includes aboriginal[9] children ages five to 17 who were placed in out-of-home care[10] and attend a registered school program, grades one to 11.

Over the two school years from 2003-04 to 2004-05, 93.7 per cent of aboriginal children in the ministry's out-of-home care advanced one grade level. This compares to 93.3 per cent reported for 2003-04 as the measure's baseline. This year's result meets the 2004-05 target "equal or higher than baseline" and is consistent with last year's result. This indicates the ministry's consistent support for school performance of children in its care.

This measure has been discontinued in the 2005-08 ministry business plan. However, children-in-care school performance continues to be tracked through a grade level advancement indicator and an age-appropriate grade attainment indicator. This continued effort is part of a national project to develop comparable child welfare outcomes across provinces and territories.

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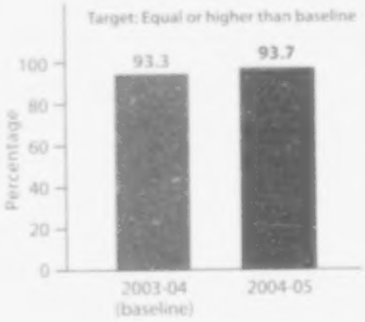
[8] 83.7 per cent of ACS records matched to Alberta Education students' surname, birth date, and first five characters of first middle name (1.9 per cent error rate on 10 per cent sample of matched data).

[9] The data source used for this measure provides information on a child's racial origin. Approximately 10 per cent of 2004-05 child protection cases in the Child Youth Information Module (CYIM) did not specify racial origin. Therefore, these results may not include the actual number of aboriginal children.

[10] Legal status under the *Child Welfare Act* of Alberta applicable to aboriginal children in out of home care considered in this measure, includes: Order to Extend Custody/Temporary Guardianship Order to 3 Years, Custody Agreement with Guardian, Custody Agreement with Child, Temporary Guardianship Order, Interim Custody Order, Permanent Guardianship Agreement, Permanent Guardianship Order.

Percentage of aboriginal children in care of the Director of Child Welfare who advance at least one grade level in a specified school year



Data Source:
Child Youth Information Module (CYIM),
Alberta Children's Services
and
Corporate Data Warehouse,
Alberta Education

PERFORMANCE MEASURE:

Percentage of aboriginal children who suffer injury that results in hospitalization or death while receiving child protection services

Keeping children protected from harm is a key priority for child protection. This measure describes the proportion of aboriginal children[11] receiving child protection services who experience a serious injury that results in hospitalization or in death, regardless of the type of injury (for example, accidental injuries or self-inflicted injuries).

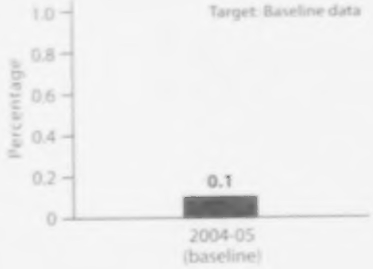
In the 2003-04 ministry annual report, it was reported that 0.2 per cent of aboriginal children suffered a severe injury that resulted in hospitalization or death while receiving child protection services. In order to improve the consistency and quality of our data in

[11] The data source used for this measure provides information on a child's racial origin. Approximately 10 per cent of 2004-05 child protection cases in the Child Youth Information Module (CYIM) did not specify racial origin. Therefore, these results may not include the actual number of aboriginal children.

respect to this measure, the methodology has been changed. Specifically, the definition of a "serious injury" has been revised to clarify that an admission to a hospital is an overnight stay. Due to this change, the data from 2003-04 is not comparable to the data from 2004-05.

In 2004-05, 0.1 per cent of aboriginal children (eight children) suffered an injury that resulted in hospitalization or in death while receiving child protection services. In order to establish annual business plan targets, a set of data is established as a baseline and used to measure the impact of changes over time.

Percentage of aboriginal children who suffer injury that results in hospitalization or death while receiving child protection services



Data Source:
Child Youth Information Module (CYIM)
Alberta Children's Services

Goal 5

Communities will have the capacity to plan and deliver services that promote the well-being of children, youth and families

Strategies:

- Champion the best interests of children and youth through cross-ministry initiatives, in particular:
  - Alberta Children and Youth Initiative to support the healthy development of children and youth;
  - Aboriginal Policy Initiative to improve the well-being and self reliance of aboriginal people, and to clarify federal, provincial and aboriginal roles and responsibilities;
  - Health Sustainability Initiative enhances the sustainability of the health system now and in the future by strengthening policy integration and collaboration across ministries.
- Promote the capacity and accountability of CFSAs, FCSS, and aboriginal communities to design, integrate, deliver and assess services for children, youth and families.
- Work with partners to provide natural advocates and opportunities for adults to connect with vulnerable children and youth who would benefit from having the support of an adult.
- Collaborate with the Alberta Centre for Child, Family and Community Research, community, ministry and university partners to promote policy-relevant research and best practices to improve outcomes for children, youth, families, and communities.
- Facilitate opportunities for citizens to participate in public forums and discussions to advance the well-being of children, youth and families, including the Children's Forum, Youth Advisory Panel, and Youth Forums.

- Provide leadership on international, national, and inter-provincial initiatives to promote the safety, well-being and development of children, youth and families.
- Develop an educational awareness campaign among Albertans on the needs and achievements of Alberta's children, youth and families.
- Support the implementation of Alberta's Promise, a public-private partnership dedicated to finding new and better ways of working together to give children the opportunity to lead happy, healthy, and successful lives.

Accomplishments:

- Championed children's best interests through cross-ministry initiatives, as identified throughout the annual report, including:
  - Contributing significantly to a number of key public awareness/education campaigns, which helped make 90 per cent of Alberta women aware that drinking during pregnancy may cause birth defects.
  - Providing leadership support in planning and contributing to the Student Health Forum in March 2005.
  - Completing and implementing, as a member of the Prairie Child Welfare Consortium, a research plan to identify best practices for child welfare service delivery to aboriginal communities.
  - Increasing the number of aboriginal mentors by 94 per cent, from 17 to 33, as part of the Aboriginal Youth Mentoring Pilot, taking place at Métis Nation Calgary, Bent Arrow Edmonton and Kainai Nation Standoff. Paul Band Reserve is the approved fourth pilot site.
- Strengthened CFSA governance by:
  - Implementing the Governance Strategic Plan and developing a financial and communications protocol.
  - Helping ensure recruitment for board members according to established criteria for board size and aboriginal targets.
  - Supporting all regions through the Community Partnership Enhancement Fund, to implement strategies and initiatives that build collaborative community and service delivery capacity.

  - Developing a community Engagement Framework in consultation with the CFSAs.
  - Establishing video conferencing technology at three pilot sites within Region 7.
- Worked with the Alberta Centre for Child, Family and Community Research to develop a Strategic Research Plan. The Centre funded state of the evidence reviews on FASD prevention and interventions to improve outcomes for children and youth affected by FASD. A state of the evidence review was also conducted on family supports for children with disabilities.
- Contributed to the following cross-jurisdictional research developments:
  - Federal/Provincial/Territorial (F/P/T) Early Childhood Development Knowledge, Information and Best Practice Committee.
  - F/P/T Working Group on Social Development Research and Information.
  - Success by Six: Community Mapping Project.
  - Understanding the Early Years.
- Worked with Alberta's youth, through the Youth Secretariat. Alberta's youth were involved in:
  - Conducting 15 Youth Forums, representing 72 communities, to address a wide range of youth issues including: abuse, bullying, depression, addictions and suicide, youth empowerment, youth justice, politics, and, aboriginal youth specific issues.
  - Contributing to several government consultation processes relating to the Provincial Focus Group on Bullying; Workshop on Family Violence and Bullying for Youth; Alberta Workshop on Methamphetamine; Peer-on-Peer Violence; Great Kids Award; Alberta Centennial activities; and the *Child, Youth and Family Enhancement Act*.
- Contributed Alberta perspectives and knowledge to United Nations-sponsored, Canadian national initiatives on child and youth needs and issues, including:
  - Canada's National Action Plan for Children.
  - A report on Alberta's progress in preventing child sexual exploitation and assisting affected children and youth.
  - A "Questionnaire on Violence Against Children."

- Explored opportunities to enter international partnership projects under the Alberta/Ukraine Memorandum of Understanding and the Ukrainian Canadian Congress. Supported the University of Alberta, Grant MacEwan College and Ukraine counterparts with student research exchanges. Visiting students from the Ukraine studied ACS's work relating to FASD prevention and the ministry's innovative services for children with autism.
- Continued to fund Alberta's Promise, which has established 236 partnerships to support and sustain community strategies to strengthen children's healthy growth and development.

Outcomes & Performance Measures

OUTCOME(S):

- Alberta is recognized for leadership in promoting strong children, families and communities at the international, national, provincial and community levels.
- Communities are responsive to the needs, values and cultures of children and their families.
- Children, youth and families participate in decisions that affect them.
- Albertans are involved in addressing issues faced by children, youth and families.

PERFORMANCE MEASURE:

Percentage of community stakeholders reporting an increase in the community's ability to meet the needs of children, youth and families

Local level community stakeholder involvement improves service delivery to children and better enables response to specific community needs. Data for this measure comes from a survey[12] of community partners. The survey is conducted every other year in cooperation with CFSAs. Community partners and stakeholders include school boards, Alberta Alcohol and Drug Abuse Commission (AADAC), municipal government agencies, not-for-profit organizations, and community organizations.

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[12] For methodology, see Appendix 2: Performance Measures - Data Sources and Methodology.

The result reported is in response to the question: "Thinking about the past 12 months, would you say you strongly agree, agree, disagree or strongly disagree that, overall there has been an increase in your community's ability to meet the needs of children, youth and families?" The responses "strongly agree" and "agree" have been combined.

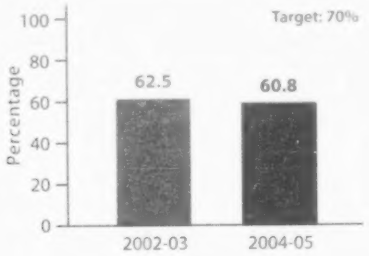
The ministry's target was 70 per cent. In 2004-05, 60.8 per cent of respondents agreed that there has been an increase in their community's ability to meet the needs of children, youth and families in the past 12 months. The 2004-05 result did not meet the target. A result of 62.5 per cent was obtained for this measure in 2002-03.

The 2002-03 period was the first year of implementation of the Alberta Response Model, an initiative that strives to increase community involvement in meeting the needs of children, youth and families. Effective November 1, 2004, the *Child, Youth and Family Enhancement Act* reflects children's service delivery based on principles and practices central to the initiative. In 2004-05, the ministry continues to build on implemented strategies focused on increasing community capacity to serve and meet children and family needs. The 2004-05 result for this measure points to ongoing discussion and strategy building between the ministry and community groups in the common goal of strengthening localized capacity to serve children and families in times of need.

However, the survey results did suggest that the 1.7 per cent difference in this year's result compared to 2002-03 may be due to respondents' perception on the following:

- Whether there has been any change in the community's ability to meet the needs of children, youth and families.
- Funding levels.
- Adequacy of services and programs.
- Demographic impacts.
- Staffing levels.

Percentage of community stakeholders reporting an increase in the community's ability to meet the needs of children, youth and families



Data Source:
Community Partners Survey, 2002-03 and 2004-05
External Contractor, Alberta Children's Services

The Community Partners Survey is conducted every two years. The measure will be reported again in 2006-07.

Corporate Strategies

- Aligned five of the ministry business plan performance measures with current National Outcome Measures, for reporting outcomes in child welfare. CFSA business plans also incorporated all five of these measures.
- Continued to take a lead role in refining a national reporting system for child welfare outcomes, through the National Outcome Measures F/P/T Working Group.
- Established a Board Development Committee to identify CFSA board development needs; implemented a board development plan and completed board audit training in all 10 CFSAs; and, implemented core governance policies and developed a board assessment tool.
- Began to evaluate the implementation of the *Child, Youth and Family Enhancement Act* and *Family Support for Children with Disabilities Act*. The *Family Support for Children with Disabilities Act* evaluation explores outcomes relating to implementing the new legislation to determine the ongoing effectiveness of this new direction for children with disabilities and their families. Initial survey results are pending. The *Child, Youth and Family Enhancement Act* evaluation involves developing a comprehensive process and outcome measurement framework. A formative assessment of legislation implementation is scheduled to begin in fall, 2005.
- Expanded the FCSS Making a Difference (MAD) outcome measures project to include additional municipalities. MAD provides FCSS with a system to monitor program delivery outcomes and fully engages community partners and stakeholders.
- Implemented the accountability framework in the agreements of all 18 DFNAs, including the following accountability measures:
  - Delegating a director for on-reserve service delivery, under legislated authority of the Provincial Director.
  - Directly monitoring, evaluating or conducting a review of programs or services, under authority of the Provincial Director, whenever necessary.
  - Auditing annual files related to work plans.
- Developed the Children's Services Human Services Worker of the Year Award to honour caring men and women involved in adoptions, foster care, support for children with disabilities, intervention services and family enhancement.

- Implemented several strategies to enhance and support workplace health, including an Occupational Health and Safety framework and a ministry employee wellness strategy, which gave employees the opportunity to attend two employee work/life balance wellness seminars.
- Increased ministry information management and technology effectiveness through a number of projects, including:
    - Enhancing the Child Youth Information Module (CYIM) to support differential response delivery and monitoring.
    - Establishing Early Childhood Development (ECD) data collection for contract performance monitoring.
    - Enhancing the foster care model.
    - Implementing a new Adoption Registry and Reunion System and a new Private and International Adoptions System.
    - Developing a New Litigation Support and Family Court Documentation Request system, that provides on line document preparation for litigation cases.
    - Developing a new system to support delivery and monitoring of the Family Support for Children with Disabilities program.
- Began using a common contract management administration system, improving contract information access and reducing the risk of information loss.
- Realized efficiencies and cost savings in collaboration with the Administrative Services Council and the Alberta Corporate Services Centre by completing the Telus Mobility Features Review project, which achieved an $11,600 annual cost saving to the ministry.
- Implemented the Government of Alberta wireless telecom policy, which addresses the issuance, use and acquisition of ministry cellular phones.
- Developed a pilot survey tool to gather output and outcome information from service providers contracted to deliver Early Childhood Development and Home Visitation Services in 2003-04 and updated the survey tool to gather information from service providers contracted to deliver Early Childhood Development and FASD services in 2004-05.

Corporate Strategies

- Continued to enhance the internal operational planning and reporting system by establishing a quarterly reporting system to review and monitor progress against plans.
- Developed an electronic system to increase strategic information accessibility to support decision-making, business planning and analysis.
- Continued to enhance internal control practices, such as establishing a new payroll reconciliation process and developing an internal control framework for contracts and grants.
- Piloted the Administrative and Operational Records phase of the Electronic Information Records Management (EIRM) initiative. A reduction in time needed for basic record keeping is expected.
- Developed and implemented a project management framework.

Financial Analysis

Results of Operations

The Ministry of Children's Services balanced its budget in 2004-05. The Ministry ended the year spending $6.7 million—0.9 per cent—lower than the authorized budget. The ministry continued with long-term improvements for Alberta children and families in areas of family enhancement and child protection, family support for children with disabilities, prevention of family violence, women's shelter programs and Parent Link Centres.

Revenues

The Ministry of Children's Services consolidated revenues in 2004-05 were $236 million, approximately $2 million higher than in the previous year.

Expenses

The ministry's 2004-05 expenditures of $760.4 million, consistent with prior year initiatives, were invested in continued long-term improvements for Alberta children and families, in areas of family enhancement and child protection, family support for children with disabilities, prevention of family violence, women's shelter programs and Parent Link Centres. Ministry spending also included additional investments in the continued transition to the *Child, Youth and Family Enhancement Act* and the implementation of the new *Family Support for Children with Disabilities Act*.

> The ministry continued with long-term improvements for Alberta children and families in areas of family enhancement and child protection, family support for children with disabilities, prevention of family violence, women's' shelter programs and parent link centres.

Comparison of 2004-05 Budget to 2004-05 Actuals

SUMMARY:

In 2004-05 the ministry faced financial pressures in delivering Child, Youth and Family Enhancement programs and high-cost placement services, such as group care, residential facilities, secure treatment and individualized placements. Increases to the maintenance rates to foster parents also added to the financial pressure.

In March 2005, the Legislature approved a Supplementary Estimate of $27.8 million, bringing the authorized budget to $769 million. Children's Services continues to find strategies to improve fiscal and expenditure management related to Child, Youth and Family Enhancement, which over time will have a positive effect on the Children's Services bottom line.

The following provides explanations of the major program variances:

CHILD CARE – The original budget for this program was reduced by $4.6 million, as a result of the approved Supplementary Estimate. A further reduction in the number of applications for the Child Care Subsidy, in addition to decreased enrolment in Child Care Accreditation Services resulted in an under expenditure of $0.6 million. Overall this program had a surplus of $5.2 million, which was used to offset some of the cost pressures in Child Welfare Services.

EARLY INTERVENTION – The reallocation of budget dollars to address critical funding pressures in other programs, such as the Prevention of Family Violence and Bullying and the Advancing Futures Bursary, resulted in an under expenditure of $8.6 million.

PREVENTION OF FAMILY VIOLENCE – In addition to the $5.3 million Supplementary Estimate, this program experienced a $2.5 million over expenditure, as a result of: the identification of emerging community practices; programs and initiatives to reduce the impact of family violence and bullying; the development and implementation of initiatives on Alberta's strategies for the prevention of family violence; and the implementation of family violence and bullying community incentive fund grants, to help communities coordinate prevention, intervention and support services.

YOUTH IN TRANSITION – An increase in the number of qualified applicants for the Advancing Futures Bursary Program, resulted in a $2.8 million over expenditure. The

Advancing Futures Bursary Program provides assistance to those that have been, or continue to be, under the care of Children's Services.

CHILD WELFARE SERVICES – The Child Welfare program was split into two streams under the new *Child, Youth and Family Enhancement Act*: family enhancement and child protection services. Family enhancement services include supports provided to assist the family in adequately caring for the child. Protection is defined specifically to include those services provided to a family when their child has entered out-of-home care or when the child is subject of a supervision order.

The Child Welfare Services program received $18.9 million additional funding to accommodate costs associated with the implementation of the *Child, Youth and Family Enhancement Act* and its programs and services. Overall, this program finished the year with a $0.4 million under expenditure.

RESOURCES FOR CHILDREN WITH DISABILITIES – The new *Family Support for Children with Disabilities Act* was implemented in August 2004, and the transition provided for services under both the old and new legislation. The projected uptake under the new legislation was lower than anticipated. This resulted in a $3.8 million under expenditure.

DEDICATED REVENUE SHORTFALL – A fewer number of children eligible for the Children Special Allowance program than anticipated, resulted in $4 million less revenue from the federal government for the Children's Special Allowance recoveries than was budgeted. This was partially offset by the $1.3 million higher than budgeted revenue from women's shelters and the $1.9 million higher than budgeted revenue in Child Protection. Overall, there was a $1 million shortfall and decreased the authorized budget by the same amount.

PROGRAM SUPPORT – The original budget of $40.5 million was reduced by $1.2 million, but several factors led to a $5.9 million over expenditure: computer evergreening within the ministry; information technology upgrades within DFNAs; information technology services within CFSAs; financial and administrative costs to Alberta Corporate Service Centre (ASCS); and, supplies, services and salary costs for CFSAs. A $1 million net spending decrease in various areas partially offset these increases.

AMORTIZATION OF CAPITAL ASSETS – An over expenditure of $1 million was the result of the first full year of amortization of capital assets purchased in the prior year.

Comparison of 2004-05 Expenses by Core Business

Core Business	2004-05 Budget ($000)	2004-05 Actuals ($000)	2003-04 Actuals (COMPARABLE) ($000)
1. Promoting the development and well-being of children, youth and families	[illegible]	221,381	191,494
2. Keeping children, youth and families safe and protected	506,044	524,915	492,058
3. Promoting healthy communities for children, youth and families	[illegible]	14,150	17,134
TOTAL MINISTRY EXPENSE	741,751	760,446	700,686

Comparison of 2004-05 Budget to 2004-05 Comparable Actuals

- Actual spending for Core Business 1 was $1.5 million higher than original budget due to the over expenditure in Prevention of Family Violence, Parenting Resources and Youth in Transition. The over expenditure was partially offset by lower than anticipated spending for Child Care and Early Intervention.
- Actual expenses for Core Business 2 were $18.9 million higher than budget, due primarily to higher expenses in Child Welfare. This was partially offset by under spending in Child Care.
- Actual spending for Core Business 3 was $1.7 million less than budget, primarily due to lower than anticipated costs for Community Capacity Building.

Comparison of 2004-05 Actuals to 2003-04 Comparable Actuals

The increase of $30 million in expenses for Core Business 1 is due to higher spending in Child Care, FCSS, Prevention of Family Violence, Parenting Resources, Youth in Transition and other programs.

The increase of $32.5 million in expenses for Core Business 2 is due to higher spending in Child Welfare Services, Family Supports for Children with Disabilities, Protecting Children from Sexual Exploitation, Advocacy on Behalf of Children and Youth and program support related costs.

The decrease of $3 million in expenses for Core Business 3 is due to lower spending on Community Capacity Building and Child and Family Research Centre grants.

Looking Forward

Alberta Children's Services is dedicated to helping children and youth in this province reach their potential. There are a number of priorities to focus on, as the ministry team looks to the future.

It is Alberta's Centennial year and to celebrate, Children's Services has made it a priority to renew its commitment to the Alberta's Promise movement, which recruits business partners to dedicate resources to programs for children and youth. The goal is to make every Albertan aware of Alberta's Promise by the end of the year.

The Alberta government is working towards a child care agreement with the federal government, that will give parents the support they need when choosing the right child care for their children. The federal government will provide Alberta with $70 million in funding for 2005-06; Alberta Children's Services will consult with Albertans to ensure that the province invests this new federal funding into child care options that meet the needs of all families and complements existing provincial investments in child care.

Alberta Children's Services is excited to be hosting the World Conference on the Prevention of Family Violence 2005, in October. Through this conference, international delegates will come together to work on ensuring a safe future for children. The ministry has dedicated a number of senior staff resources to carry out this event.

A focus on the Prevention of Child Sexual Exploitation including Internet luring and inappropriate use of chat lines and pagers will also contribute to the ministry's efforts to keep children and youth safe. In addition, and based on a growing concern regarding the safety of children in situations where there is drug related activity, plans are underway to introduce new groundbreaking legislation. It will protect drug-endangered children found in grow operations, methamphetamine lab houses and other places where drugs are produced.

The *Social Care Facilities Licensing Act* will be reviewed to identify a new approach for ensuring quality care in social care facilities. The act is outdated and has not been reviewed for more than 26 years. Much has changed in this time, including the way child care and other social care is provided. We anticipate this review will result in the introduction of new legislation in Spring 2006.

Priority will be placed on developing a bridge with First Nations and DFNAs to try to improve outcomes for aboriginal children and youth.

Looking Forward

As a continuation of business from the previous year, there will be a renewed focus on the implementation of the *Child, Youth and Family Enhancement Act*. This will include looking at options to improve the lives and future of youth who find themselves moving continually in and out of the system.

At the same time, the ministry must ensure it effectively supports the delivery of quality care through CFSAs, DFNAs, and the programs and services offered through FCSS. A review of systems and processes will be undertaken to guarantee tools are in place and practice is aligned with new legislation.

Alberta Children's Services

ANNUAL REPORT

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Auditor's Report

AUDITOR
GENERAL
Alberta

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Children's Services as at March 31, 2005 and the consolidated statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 20, 2005

MINISTRY OF ALBERTA CHILDREN'S SERVICES

Consolidated Statement of Operations

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS)		
	2005		2004
	Budget	Actual	Actual
Revenues (SCHEDULE 1)			
Transfers from Government of Canada	$ 217,128	$ 195,885	$ 192,997
Internal Government Transfers	30,000	30,000	30,000
Other	11,550	10,382	11,040
	258,678	236,267	234,037
Expenses - Directly Incurred (NOTE 2B AND SCHEDULE 2)			
Voted (SCHEDULES 3, 4 AND 5)			
Promoting the development and well being of children, youth and families	204,032	203,706	178,387
Keeping children, youth and families safe and protected	468,306	482,331	456,211
Promoting healthy communities for children, youth and families	14,640	12,433	15,705
Support Services	53,273	60,743	49,866
	740,251	759,213	700,169
Valuation adjustments	1,500		
Vacation Pay		1,528	514
Doubtful Accounts		(295)	3
	1,500	1,233	517
Total Expenses	741,751	760,446	700,686
Net Operating Results	$ (483,073)	$ (524,179)	$ (466,649)

The accompanying notes and schedules are part of these consolidated financial statements.

MINISTRY OF ALBERTA CHILDREN'S SERVICES

Consolidated Statement of Financial Position

AS AT MARCH 31, 2005

	IN THOUSANDS	
	2005	2004
Assets		
Cash	$ 43,872	$ 36,825
Accounts Receivable (NOTE 4)	7,668	14,298
Advances	430	421
Tangible Capital Assets (NOTE 5)	4,669	4,395
	$ 56,639	$ 55,939
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 6)	$ 78,540	$ 48,052
Net Assets (LIABILITIES)		
Net Assets (LIABILITIES) at Beginning of Year	$ 7,887	$ (20,176)
Net Operating Results	(524,179)	(466,649)
Net Transfer from General Revenues	494,391	494,712
Net Assets (LIABILITIES) at End of Year	(21,901)	7,887
	$ 56,639	$ 55,939

The accompanying notes and schedules are part of these consolidated financial statements.

MINISTRY OF ALBERTA CHILDREN'S SERVICES

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS) 2005	2004
Operating Transactions		
Net Operating Results	$ [illegible]	$ [illegible]
Non-Cash Items:		
Amortization	[illegible]	[illegible]
Valuation Adjustments (NET)	[illegible]	[illegible]
	[illegible]	[illegible]
Decrease in Accounts Receivable	[illegible]	[illegible]
(INCREASE) Decrease in Advances	[illegible]	[illegible]
Increase (DECREASE) in Accounts Payable	[illegible]	[illegible]
Cash Applied to Operating Transactions	(489,572)	[illegible]
Capital Transactions		
Acquisition of Tangible Capital Assets	(1,782)	[illegible]
Cash Applied to Capital Transactions	(1,782)	[illegible]
Financing Transactions		
Net Transfer from General Revenues	498,401	[illegible]
Increase in Cash	7,047	[illegible]
Cash, Beginning of Year	36,825	[illegible]
Cash, End of Year	$ 43,872	$ 36,825

(a) Adjusted for valuation adjustment.

The accompanying notes and schedules are part of these consolidated financial statements.

MINISTRY OF ALBERTA CHILDREN'S SERVICES

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 Ministry and Purpose

The Minister of Alberta Children's Services has been designated as responsible for various Acts by the Government Organization Act and its regulations. To fulfill these responsibilities, the Ministry consists of the organizations listed below.

ORGANIZATION	LEGISLATION
Department of Alberta Children's Services	*Government Organization Act*
10 Child and Family Services Authorities	*Child and Family Services Authorities Act*

The Ministry is responsible for providing community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by collaboration, partnerships and sharing resources.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by the government for all departments.

(A) REPORTING ENTITY

The reporting entity is the Ministry of Alberta Children's Services for which the Minister of Alberta Children's Services is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Minister of Finance administers the Fund. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(B) BASIS OF FINANCIAL REPORTING

Revenues

All revenues are reported on the accrual method of accounting.

Monetary donations received from external sources are recorded as revenue when received.

INTERNAL GOVERNMENT TRANSFERS

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

GOVERNMENT OF CANADA TRANSFERS

Transfer from the Government of Canada are outside the Government of Alberta reporting entity. The entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

Expenses

DIRECTLY INCURRED

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- amortization of tangible capital assets.
- pension costs, which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- grants are recognized when authorized and eligibility criteria are met.

INCURRED BY OTHERS

Services contributed by other entities in support of the Ministry's operations are disclosed in Schedule 7.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $5,000 (2004 - $15,000). Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

Liabilities represent all financial claims payable by the Ministry at fiscal year end.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair value of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

Net Assets/Liabilities

Net assets/liabilities represents the difference between the value of assets held by the Ministry and its liabilities.

Measurement Uncertainty (in thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount. The actual amount collected could vary significantly from that estimated.

Accounts receivable recorded as $7,668 and accounts payable and accrued liabilities of $78,540 in these financial statements are subject to measurement uncertainty. These amounts have been estimated based on information available at the time these financial statements were produced.

NOTE 3 Change of Canada Social Transfer (CST) Revenue Allocation (IN THOUSANDS)

During the year the Ministry of Finance changed its CST Revenue allocation methodology among the Departments. Comparative results have been restated as follows to conform with the new allocation methodology.

	CST Revenue	Net Operating Results	Net transfers from General Revenue
As previously reported at March 31, 2004	$ [illegible]	$ [illegible]	$ [illegible]
Re-allocation	[illegible]	[illegible]	[illegible]
Amounts restated at March 31, 2004	$ 163,248	$ (466,649)	$ 494,712

NOTE 4 Accounts Receivable

(IN THOUSANDS)

	2005			2004
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$ 8,041	$ 1,328	$ 6,713	$ 13,988
Refunds from Suppliers	955		955	310
	$ 8,996	$ 1,328	$ 7,668	$ 14,298

Accounts receivable are unsecured and non-interest bearing.

NOTE 5 Tangible Capital Assets

(IN THOUSANDS)

		2005			2004
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicle	3 - 5 years	$ 89	$ 71	$ 18	$ 31
Computer/ Systems/ Equipment	5 - 10 years	17,949	13,298	4,651	4,364
		$ 18,038	$ 13,369	$ 4,669	$ 4,395

New system development is currently amortized over five years based on management estimates as to the useful lives of specific information systems.

NOTE 6 Accounts Payable and Accrued Liabilities (IN THOUSANDS)

(IN THOUSANDS)

	2005	2004
Trade	$ 32,334	$ 29,991
Government of Canada	12,054	53
Grant	12,422	1,192
Accrued Vacation Pay	20,252	16,390
Other	1,478	426
	$ 78,540	$ 48,052

NOTE 7 Contractual Obligations

At March 31, 2005, the Ministry has the following obligations:

	(in thousands) 2005	2004
Service contracts	$ 458	$ 5,019
Long-term leases(a)	$ 1,002	$ 1,644

(a) The Ministry [illegible] expire in various dates to 2010. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(in thousands)
2006	$ 557
2007	$ 588
2008	$ 117
2009	$ 152
2010	$ 8

NOTE 8 Contingent Liabilities (IN THOUSANDS)

At March 31, 2005, the Ministry is a defendant in eighty-three claims (2004 – 81 claims). Seventy-four of these claims have specified amounts totaling $824,203 and the remaining nine have not specified any amount (2004 – 72 claims with a specified amount of $356,779 and nine with no specified amount).

Included in the total claims are forty claims amounting to $729,703 in which the Ministry has been jointly named with other entities. The Alberta Risk Management Fund covers fifty-one claims amounting to $644,010.

The resulting loss, if any, from these claims cannot be determined.

NOTE 9 Defined Benefit Plans (in thousands)

The Ministry participates in the multi-employer pension plans, the Management Employees Pension Plan and the Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for the Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $10,478 for the year ending March 31, 2005 (2004 - $8,605).

At December 31, 2004, the Management Employees Pension Plan reported a deficiency of $268,101 (2003 – $290,014) and the Public Service Pension Plan reported a deficiency of $450,068 (2003 – $584,213).

At December 31, 2004, the Supplementary Retirement Plan for Public Service Managers had a surplus of $9,404 (2003 - $9,312).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2005, the Bargaining Unit Plan reported an actuarial deficiency of $11,817 (2004 – $9,766) and the Management, Opted Out and Excluded Plan had an actuarial surplus of $3,208 (2004 – $1,298). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 10 Comparative Figures

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

NOTE 11 Approval of Financial Statements

The Senior Financial Officer and the Deputy Minister approved the financial statements.

MINISTRY OF ALBERTA CHILDREN'S SERVICES

Revenues • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2005

	2005		2004
(in thousands)	Budget	Actual	Actual
Transfers from Government of Canada			
Canada Social Transfer	$ 184,088	$ 163,818	$ 163,248
Services to On-Reserve Status Indians	10,700	13,859	11,921
Children Special Allowance and Other	22,340	18,208	17,828
	217,128	195,885	192,997
Internal Government Transfers			
Transfer from Lottery Fund	30,000	30,000	30,000
Other Revenue			
Refunds of Expenditure			
First Nation Agencies Recoveries	3,500	3,701	4,417
Other Refunds	7,650	6,509	6,443
Other	400	172	180
	11,550	10,382	11,040
Total Revenues	$ 258,678	$ 236,267	$ 234,037

MINISTRY OF ALBERTA CHILDREN'S SERVICES

Dedicated Revenue Initiatives • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	(Shortfall) Excess
Services to On-Reserve Status Indians (a)			
Women's Shelters	$ 1,550	$ 2,876	$ 1,326
Child Protection and Other Programs	12,750	14,683	1,933
Parent / Guardian Maintenance Payments (b)	400	173	(227)
Children Special Allowance and Other (c)	22,240	18,208	(4,032)
	$ 36,940	$ 35,940	$ (1,000)

(a) Services to On-Reserve Status Indians:

Recoveries from the Government of Canada and from Delegated First Nation Agencies for children identified as ordinarily resident on reserve.

(b) Parent / Guardian Maintenance Payments:

Recoveries from parents or guardians for children in care of the Ministry.

(c) Children Special Allowance and Other:

Monthly benefits received from the Canada Revenue Agency for children in provincial care.

The revenues and expenses related to the dedicated revenue initiatives are included in the Ministry's revenue and expenses.

(1) Shortfall is deducted from the current year's authorized budget, as disclosed in Schedules 4 and 5 to the financial statements.

MINISTRY OF ALBERTA CHILDREN'S SERVICES

Expenses - Directly Incurred Detailed by Object • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2005

(in thousands)

	2005		2004
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	$ 155,816	$ 165,527	$ 150,147
Supplies and Services	469,752	453,716	427,151
Grants	112,441	137,400	122,118
Supplies and Services from Support Services			
Arrangements with Related Parties (a)	1,604	1,908	1,051
Financial Transactions and Other	20	104	142
Amortization of Capital Assets	538	1,498	1,336
Valuation adjustments	1,580		
Vacation pay		1,528	514
Doubtful accounts		(295)	3
	741,751	760,446	702,686
Less: Recovery from Alberta Health and Wellness			(2,000)
Total Expenses	$ 741,751	$ 760,446	$ 700,686

(a) The Ministry receives Human Resources, Information Technology, financial and other administrative support services from the Ministries of Human Resources and Employment and Ministry of Seniors and Community Supports.

MINISTRY OF ALBERTA CHILDREN'S SERVICES

Budget • SCHEDULE 4

FOR THE YEAR ENDED MARCH 31, 2005

(in thousands)

	2004-2005 Estimates	Adjust-ments(a)	2004-2005 Budget	Authorized Supple-mentary (b)	2004-2005 Authorized Budget
Revenues					
Transfer from Government of Canada	$ 217,128	$ -	$ 217,128	$ -	$ 217,128
Internal Government Transfers	30,000		30,000		30,000
Other	11,550		11,550		11,550
	258,678		258,678		258,678
Expenses - Directly Incurred:					
Promoting the development and well being of children, youth and families	204,032	-	204,032	8,171	212,203
Keeping children, youth and families safe and protected	468,306	-	468,306	18,953	487,259
Promoting healthy communities for children, youth and families	14,640		14,640	(82)	14,558
Support Services	53,273	-	53,273	(732)	52,541
Dedicated Revenue Shortfall (Schedule 2)		(1,000)	(1,000)		(1,000)
Valuation adjustments	1,500		1,500		1,500
Total Expenses	741,751	(1,000)	740,751	26,310	767,061
Net Operating Results	$ (483,073)	$ 1,000	$ (482,073)	$ (26,310)	$ (508,383)
Capital Investments	$ 300	$ -	$ 300	$ 1,545	$ 1,845

(a) Adjustment is the dedicated revenue shortfall.

(b) The Supplementary Estimate was approved on March 24, 2005. Treasury Board approval is pursuant to Section 24(2) of the *Financial Administration Act*.

Supplementary Estimate of $27,855 included:

Funding for $26,755 to assist with new initiatives and increase in foster parent maintenance rate.

Salary Contingency Transfer of $1,100 as per Section 4 of Appropriation (Supplementary Supply) Act, 2005 authorizing the transfer from the Department of Human Resources and Employment.

MINISTRY OF ALBERTA CHILDREN'S SERVICES

Comparison of Expenses - Directly Incurred by Element to Authorized Budget • SCHEDULE 5

FOR THE YEAR ENDED MARCH 31, 2005

(in thousands)

	2004-2005 Estimates	Adjustment [a]	2004-2005 Budget	Authorized Supplementary [b]	2004-2005 Authorized Budget	2004-2005 Actual Expense	Unexpended (Over Expended)
Voted:							
Promoting the development and well-being of children, youth and families							
Child Care	$ [illegible]	$	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]
Family and Community Support Services	[illegible]		[illegible]		[illegible]	[illegible]	[illegible]
Early Intervention	[illegible]		[illegible]		[illegible]	[illegible]	[illegible]
Prevention of Family Violence	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Parenting Resources	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fetal Alcohol Initiatives	[illegible]		[illegible]		[illegible]	[illegible]	[illegible]
Youth in Transition	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Keeping children, youth and families safe and protected							
Child Welfare Services	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Resources for Children with Disabilities	[illegible]		[illegible]		[illegible]	[illegible]	[illegible]
Protecting Children from Sexual Exploitation	[illegible]		[illegible]		[illegible]	[illegible]	[illegible]
Advocacy on Behalf of Children and Youth	[illegible]		[illegible]		[illegible]	[illegible]	[illegible]
Dedicated Revenue Shortfall (Schedule 2)		[illegible]	[illegible]		[illegible]		[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Promoting healthy communities for children, youth and families							
Community Capacity Building	[illegible]		[illegible]		[illegible]	[illegible]	[illegible]
Child and Family Research	[illegible]		[illegible]		[illegible]	[illegible]	[illegible]
Alberta's Promise	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	14,640		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

(continued)

MINISTRY OF ALBERTA CHILDREN'S SERVICES

Comparison of Expenses - Directly Incurred by Element to Authorized Budget • SCHEDULE 5 (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2004-2005 Estimates	Adjustment [a]	2004-2005 Budget	Authorized Supplementary [b]	2004-2005 Authorized Budget	2004-2005 Actual Expense	Unexpended (Over Expended)
Support Services							
Ministry Support	12,255	-	12,255	425	12,680	12,840	(160)
Program Support	40,480	-	40,480	(1,157)	39,323	46,405	(7,082)
Amortization of Capital Assets	538	-	538	-	538	1,498	(960)
	53,273	-	53,273	(732)	52,541	60,743	(8,202)
New Capital Investments	300	-	300	1,545	1,845	1,772	73
Total Voted Expenses	740,551	(1,000)	739,551	27,855	767,406	760,985	6,421
Statutory:							
Valuation Adjustment	1,500	-	1,500	-	1,500	1,233	267
Total Expenses	$ 742,051	$ (1,000)	$ 741,051	$ 27,855	$ 768,906	$ 762,218	$ 6,688

(a) Adjustment is the dedicated revenue shortfall.

(b) The Supplementary Estimate was approved on March 24, 2005. Treasury Board approval is pursuant to Section 24(2) of the *Financial Administration Act*.

Supplementary Estimate of $27,855 included:

Funding for $26,755 to assist with new initiatives and increase in foster parents maintenance rate.

Salary Contingency Transfer of $1,100 as per Section 4 of *Appropriation (Supplementary Supply) Act, 2005* authorizing the transfer from the Department of Human Resources and Employment.

(c) Prevention of Family Violence includes expenses of $2,247 for Services to On-Reserve Status Indians.

MINISTRY OF ALBERTA CHILDREN'S SERVICES

Related Party Transactions • SCHEDULE 6

FOR THE YEAR ENDED MARCH 31, 2005

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties.

	(IN THOUSANDS) 2005	2004
Revenues:		
Internal Government Transfers	$ 30,000	$ 30,000
Recovery from Ministry of Seniors and Community Supports	135	63
Recovery from Ministry of Human Resources and Employment	200	708
Other Ministries	6	
	$ 30,341	$ 30,771
Expenses:		
Ministry of Finance	$ [illegible]	$ [illegible]
Ministry of Human Resources and Employment	5	
Ministry of Seniors and Community Supports	26	[illegible]
Ministry of Restructuring and Government Efficiency	[illegible]	[illegible]
Ministry of Executive Council	324	[illegible]
Ministry of Infrastructure	[illegible]	[illegible]
	$ 18,994	$ 18,388
Receivable from/(Payable to):		
Ministry of Seniors and Community Supports	$ (15)	$ 51
Ministry of Human Resources and Employment	30	54
	$ 15	$ 105

The Ministry receives services under contracts managed by the Ministry of Restructuring and Government Efficiency.

Any commitments under these contracts are reported by the Ministry of Restructuring and Government Efficiency.

The above transactions do not include support service arrangement transactions disclosed in Schedule 5.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service.

	(IN THOUSANDS) 2005	2004
Expenses (NOTIONAL):		
Accommodation	$ 18,624	$ 17,870
Legal Services	2,474	2,571
	$ 21,098	$ 20,441

MINISTRY OF ALBERTA CHILDREN'S SERVICES

Allocated Costs • SCHEDULE 7

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005						2004
		Expenses Incurred by Others		Valuation Adjustments[4]			
Program	Expenses[1]	Accommodation Costs[2]	Legal Services[3]	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Promoting the development and well being of children, youth and families	$ 203,706	$ 1,037	$ -	$ 85	$ -	$ 204,828	$ 179,311
Keeping children, youth and families safe and protected	482,331	15,387	2,474	1,263	(295)	501,160	473,973
Promoting healthy communities for children, youth and families	12,433	502	-	41		12,976	16,290
Support Services	60,743	1,698	-	139	-	62,580	51,553
	$ 759,213	$ 18,624	$ 2,474	$ 1,528	$ (295)	$ 781,544	$ 721,127

(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure and Transportation, represent the Ministry's buildings' costs allocated by the number of Ministry employees per program.

(3) Costs for Legal Services, which were paid by Alberta Justice, were allocated in proportion to the expenses incurred by each program.

(4) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:

Vacation Pay - value of vacation entitlements due to employees assigned to a program.

Doubtful Accounts - estimated expenses incurred by each program.

DEPARTMENT OF ALBERTA CHILDREN'S SERVICES

Financial Statements

MARCH 31, 2005

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Auditor's Report

AUDITOR
GENERAL
Alberta

To the Minister of Children's Services

I have audited the statement of financial position of the Department of Children's Services as at March 31, 2005 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of management of the Department. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
May 20, 2005

DEPARTMENT OF ALBERTA CHILDREN'S SERVICES

Statement of Operations

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS)		
	2005		2004
	Budget (SCHEDULE 4)	Actual	Actual (RESTATED - NOTE 3)
Revenues (SCHEDULE 1)			
Transfers from Government of Canada	$ 217,128	$ 195,885	$ [illegible]
Internal Government Transfers	30,000	30,000	90,000
Other	6,800	5,316	[illegible]
	253,928	231,201	229,038
Expenses - Directly Incurred (NOTE 2B AND SCHEDULE 8)			
Voted (SCHEDULES 3, 4 AND 5)			
Ministry Support Services	13,255	11,279	16,493
Services for Children and Families	654,221	680,145	614,763
Family and Community Support	68,025	68,337	63,787
	735,501	759,761	695,043
Statutory (SCHEDULES 3, 4 AND 5)			
Valuation Adjustments	1,500		
Vacation Pay		370	86
Doubtful Accounts		(316)	3
	1,500	54	89
Total Expenses	737,001	759,815	695,132
Net Operating Results	$ (483,073)	$ (528,614)	$ (466,094)

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF ALBERTA CHILDREN'S SERVICES

Statement of Financial Position

AS AT MARCH 31, 2005

	(IN THOUSANDS) 2005	 2004 [illegible]
Assets		
Cash	$ 1,467	$ 171
Accounts Receivable (NOTE 4)	8,009	12,382
Advances	411	412
Tangible Capital Assets (NOTE 5)	4,317	4,314
	$ 14,204	$ 17,279
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 6)	$ 56,005	$ 24,857
Net Liabilities		
Net Liabilities at Beginning of Year	(7,578)	(36,196)
Net Operating Results	(528,614)	(466,094)
Net Transfer from General Revenues	494,391	494,712
Net Liabilities at End of Year	(41,801)	(7,578)
	$ 14,204	$ 17,279

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF ALBERTA CHILDREN'S SERVICES

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS) 2005	 2004
Operating Transactions		
Net Operating Results	$ (528,614)	$ (468,094)
Non-Cash Items:		
Amortization	1,452	1,296
Valuation Adjustments (a)	54	(84)
	(527,108)	(464,098)
Decrease in Accounts Receivable	4,689	1,788
Decrease in Advances	1	
Increase (DECREASE) in Accounts Payable and Accrued Liabilities	40,778	(38,895)
Cash Applied to Operating Transactions	(481,645)	(501,096)
Capital Transactions		
Cash Applied to Acquisition of Tangible Capital Assets	(1,450)	(3,406)
Financing Transactions		
Net Transfer from General Revenues	484,391	504,711
Increase (Decrease) in Cash	1,296	(331)
Cash, Beginning of Year	171	502
Cash, End of Year	$ 1,467	$ 171

(a) Adjusted for valuation adjustments

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF ALBERTA CHILDREN'S SERVICES

Notes to the Financial Statements

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 Authority and Purpose

The Department of Alberta Children's Services operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Department is responsible for providing community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by collaboration, partnerships and sharing resources.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by the government for all departments.

(A) REPORTING ENTITY

The reporting entity is the Department of Alberta Children's Services, which is part of the Ministry of Alberta Children's Services and for which the Minister of Alberta Children's Services is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Minister of Finance administers the Fund. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(B) BASIS OF FINANCIAL REPORTING

Revenues

All revenues are reported on the accrual method of accounting.

INTERNAL GOVERNMENT TRANSFERS

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

FEDERAL GOVERNMENT TRANSFERS

Federal Government transfers are transfers with the Federal Government, which is outside the Government of Alberta reporting entity. The entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Department may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Department's dedicated revenue initiatives.

Expenses

DIRECTLY INCURRED

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- Amortization of capital assets.
- Pension costs, which comprise the cost of employer contributions for current service of employees during the year.

- Valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

- Grants are recognized when authorized and eligibility criteria are met.

INCURRED BY OTHERS

Services contributed by other entities in support of the Department's operations are disclosed in Schedule 8.

Assets

Financial assets of the Department are financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $5,000 (2004 - $15,000). Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

Liabilities represent all financial claims payable by the Department at fiscal year end.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

Net Liabilities

Net liabilities represent the difference between the value of assets held by the Department and its liabilities.

Measurement Uncertainty (in thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount. The actual amount collected could vary significantly from that estimated.

Accounts receivable recorded as $8,009 and accounts payable and accrued liabilities of $56,005 in these financial statements are subject to measurement uncertainty. These amounts have been estimated based on information available at the time these financial statements were produced.

NOTE 3 Change of Canada Social Transfer (CST) Revenue Allocation (IN THOUSANDS)

During the year The Ministry of Finance changed its CST Revenue allocation methodology among the Departments. Comparative results have been restated as follows to conform with the new allocation methodology.

(IN THOUSANDS)

	CST Revenue	Net Operating Results	Net transfers from General Revenue
As previously reported at March 31,2004	$ 116,619	$ (512,723)	$ 541,341
Re-allocation	46,629	46,629	(46,629)
Amounts restated at March 31, 2004	$ 163,248	$ (466,049)	$ 494,712

NOTE 4 Accounts Receivable

(IN THOUSANDS)

	2005			2004
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$ 9,219	$ 1,328	$ 7,891	$ 12,049
Refunds from Suppliers	118		118	333
	$ 9,337	$ 1,328	$ 8,009	$ 12,382

Accounts receivable are unsecured and non-interest bearing.

NOTE 5 Tangible Capital Assets

(IN THOUSANDS)

	2005				2004
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer/ Systems	5 years	$ 17,600	$ 13,283	$ 4,317	$ 4,314

New system development and enhancements are currently amortized over five years based on management estimates as to the useful lives of specific information systems.

NOTE 6 Accounts Payable and Accrued Liabilities (IN THOUSANDS)

(IN THOUSANDS)

	2005	2004
Child and Family Service Authorities	$ 17,298	$ 13,672
Trade	12,789	6,408
Government of Canada	12,054	53
Grants	7,860	1,192
Vacation Pay and Manpower	3,932	3,112
Other	2,072	420
	$ 56,005	$ 24,857

NOTE 7 Contractual Obligations

At March 31, 2005, the Department has the following contractual obligations:

(IN THOUSANDS)

	2005	2004
Long-term leases (a)	$ 171	$ 128

(a) The above contractual obligations relate to vehicle leases. These leases will expire over the next five years. The estimated annual payments for existing leases for the next five years are as follows:

(IN THOUSANDS)

2006	$ 74
2007	$ 57
2008	$ 29
2009	$ 10
2010	$ 1

NOTE 8 Contingent Liabilities (IN THOUSANDS)

At March 31, 2005, the Department is a defendant in seventy-three legal claims (2004 – 72 legal claims). Sixty-four of these claims have specified amounts totaling $701,183 and the remaining nine have not specified any amount (2004 – 61 claims with a specified amount of $233,484 and nine with no specified amount).

Included in the total legal claims are thirty-five claims amounting to $613,253 in which the Department has been jointly named with other entities. The Alberta Risk Management Fund covers forty-three claims amounting to $521,390.

The resulting loss, if any, from these claims cannot be determined.

NOTE 9 Defined Benefit Plans (IN THOUSANDS)

The Department participates in multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for the Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $2,366 for the year ending March 31,2005 (2004 - $1,823).

At December 31, 2004, the Management Employees Pension Plan reported a deficiency of $268,101 (2003 – $290,014) and the Public Service Pension Plan reported a deficiency of $450,068 (2003 - $584,213).

At December 31, 2004, the Supplementary Retirement Plan for Public Service Managers had a surplus of $9,404 (2003 - $9,312).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2005, the Bargaining Unit Plan reported an actuarial deficiency of $11,817 (2004 - $9,766) and the Management, Opted Out and Excluded Plan had an actuarial surplus of $3,208 (2004 - $1,298). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 10 Comparative Figures

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

NOTE 11 Approval of Financial Statements

The Senior Financial Officer and the Deputy Minister approved the financial statements.

DEPARTMENT OF ALBERTA CHILDREN'S SERVICES

Revenues • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS) 2005 Budget	2005 Actual	2004 Actual
Transfers from Government of Canada			
Canada Social Transfer	$ 184,088	$ 163,819	$ 164,348
Services to On-Reserve Status Indians	10,800	13,858	11,001
Children Special Allowance and Other	22,240	18,208	17,658
	217,128	195,885	193,007
Internal Government Transfers			
Transfer from Lottery Fund	30,000	30,000	30,000
Other Revenue			
Refunds of Expenditure			
First Nations Agencies Recoveries	3,500	3,700	3,617
Other Refunds	2,900	1,443	1,442
Other	400	173	970
	6,800	5,316	6,029
Total Revenues	$ 253,928	$ 231,201	$ 229,036

DEPARTMENT OF ALBERTA CHILDREN'S SERVICES

Dedicated Revenue Initiatives • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS) 2005		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	(Shortfall) Excess
Services to On-Reserve Status Indians[a]			
Women's Shelters	$ 1,550	$ 2,876	$ 1,326
Child Protection and Other Programs	12,750	14,683	1,933
Parent / Guardian Maintenance Payments[b]	400	173	(227)
Children Special Allowance and Other[c]	22,240	18,208	(4,032)
	$ 36,940	$ 35,940	$ (1,000)[1]

(a) Services to On-Reserve Status Indians:

Recoveries from the Government of Canada and from Delegated First Nation Agencies for children identified as ordinarily living on a reserve.

(b) Parent / Guardian Maintenance Payments:

Recoveries from parents or guardians for children in care of the Ministry.

(c) Children Special Allowance and Other:

Monthly benefits received from the Canada Revenue Agency for children in provincial care.

The revenues and expenses related to the dedicated revenue initiatives are included in the Ministry's revenue and expenses.

(1) Shortfall is deducted from the current year's authorized budget, as disclosed in Schedules 4 and 5 to the financial statements.

DEPARTMENT OF ALBERTA CHILDREN'S SERVICES

Expenses - Directly Incurred Detailed by Object • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005		2004
	Budget	Actual	Actual
Voted:			
Salaries, Wages and Employee Benefits	$ 20,784	$ 24,375	$ 19,456
Supplies and Services	101,810	87,101	72,859
Supplies and Services from Shared Services Support Arrangements with Related Parties (a)	619	923	695
Grants	611,693	645,827	600,734
Financial Transactions and Other	70	83	91
Amortization of Capital Assets	525	1,452	1,206
Total Voted Expenses	735,501	759,761	695,041
Statutory:			
Valuation adjustments	1,500	-	
Vacation pay	-	370	86
Doubtful accounts		(316)	3
Total Statutory Expenses	1,500	54	89
Total Expenses	$ 737,001	$ 759,815	$ 695,130

(a) The Department receives human resources, information technology, financial and other administrative support services from the Department of Human Resources and Employment.

DEPARTMENT OF ALBERTA CHILDREN'S SERVICES

Budget • SCHEDULE 4

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2004-2005 Estimates	Adjust- ments[a]	2004-2005 Budget	Authorized Supple- mentary[b]	2004-2005 Authorized Budget
Revenues					
Transfer from Government of Canada	$ 217,128	$ -	$ 217,128	$ -	$ 217,128
Internal Government Transfers	30,000	-	30,000	-	30,000
Other	6,800	-	6,800	-	6,800
	253,928	-	253,928	-	253,928
Expenses - Directly Incurred:					
Voted					
Ministry Support Services	13,255	-	13,255	425	13,680
Services to Children and Families	654,221	-	654,221	25,967	680,188
Family and Community Support	68,025	-	68,025	(82)	67,943
Dedicated Revenue Shortfall (SCHEDULE 2)	-	(1,000)	(1,000)	-	(1,000)
	735,501	(1,000)	734,501	26,310	760,811
Statutory					
Valuation adjustments	1,500	-	1,500	-	1,500
	1,500	-	1,500	-	1,500
Total Expenses	737,001	(1,000)	736,001	26,310	762,311
Net Operating Results	$ (483,073)	$ 1,000	$ (482,073)	$ (26,310)	$ (508,383)
Capital Investment	$ 300	$ -	$ 300	$ 1,545	$ 1,845

(a) Adjustment is the dedicated revenue shortfall.

(b) The Supplementary Estimate was approved on March 24, 2005. Treasury Board approval is pursuant to Section 24(2) of the *Financial Administration Act*.

Supplementary Estimate of $27,855 included:

Funding for $26,755 to assist with new initiatives and increase in foster parents maintenance rate.

Salary Contingency Transfer of $1,100 as per Section 4 of *Appropriation (Supplementary Supply) Act, 2005* authorizing the transfer from the Department of Human Resources and Employment.

DEPARTMENT OF ALBERTA CHILDREN'S SERVICES

Comparison of Expenses - Directly Incurred by Element Compared to Authorized Budget • SCHEDULE 5

FOR THE YEAR ENDED MARCH 31, 2005

(in thousands)

	2004-2005 Estimates	Adjust- ments [a]	2004-2005 Budget	Authorized Supple- mentary [b]	2004-2005 Authorized Budget	2004-2005 Actual Expenses [c]	Un- expended (Over Expended)
Voted:							
Ministry Support Services							
Minister's Office	$ 300	$	$ 300	$	$ 300	$ 325	$ (25)
Deputy Minister Office	380		380		380	390	(10)
Community Partnerships and Intergovernmental Relations	900	-	900		900	716	184
Accountability and Provincial Standards	400		400		400	271	129
Corporate Administration	10,275		10,275	425	10,700	10,575	125
Financial Support to Child and Family Research	1,000		1,000		1,000	1,002	(2)
	13,255		13,255	425	13,680	13,279	401
Services for Children and Families							
Program Support							
Program Support	38,540	-	38,540	(1,161)	37,379	39,352	(1,973)
Child, Youth and Family Enhancement Act Implementation Support	4,325	-	4,325	3,620	7,945	7,264	681
Social Care Facilities Review Committee	410	-	410		410	406	4
Children and Youth Advocate	3,800	-	3,800		3,800	3,599	201
Provincial Programs							
Corporate Adoption Services	710	-	710	27	737	1,909	(1,172)
Child Care Services Accreditation	9,500	-	9,500	(4,657)	4,843	6,974	(2,131)
Protection of Children Involved in Prostitution	5,600	-	5,600	-	5,600	5,119	481
Early Childhood Development Initiatives	12,055	-	12,055		12,055	4,079	7,976
Youth in Care Transition to Independent Living	1,250	-	1,250	8	1,258	4,006	(2,748)
Prevention of Family Violence [d]	18,175	-	18,175	5,320	23,495	26,100	(2,605)
Fetal Alcohol Initiative	2,850	-	2,850		2,850	1,856	994
Siksika Family Services Corporation	2,355	-	2,355		2,355	2,355	-
Parenting Resources Initiative	2,000		2,000	7,500	9,500	5,829	3,671

(CONTINUED)

DEPARTMENT OF ALBERTA CHILDREN'S SERVICES

Comparison of Expenses - Directly Incurred by Element Compared to Authorized Budget • SCHEDULE 5 (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2004-2005 Estimates	Adjustments[a]	2004-2005 Budget	Authorized Supplementary[b]	2004-2005 Authorized Budget	2004-2005 Actual Expenses[c]	Unexpended (Over Expended)
Financial Support to Child and Family Services Authority							
Region 1 - South West	27,182	-	27,182	1,130	28,312	28,876	(564)
Region 2 - South East	15,058	-	15,058	1,001	16,059	16,272	(213)
Region 3 - Calgary and Area	153,706		153,706	976	154,682	156,273	(1,591)
Region 4 - Central	46,332	-	46,332	80	46,412	47,223	(811)
Region 5 - East Central	13,201	-	13,201	425	13,626	13,786	(160)
Region 6 - Edmonton and Area	211,181		211,181	6,898	218,079	219,422	(1,343)
Region 7 - North Central	31,659	-	31,659	4,460	36,119	36,767	(648)
Region 8 - North West	25,739	-	25,739	312	26,051	26,622	(571)
Region 9 - North East	9,098	-	9,098	15	9,113	9,225	(112)
Region 10 - Metis Settlements	4,309		4,309	9	4,318	4,437	(119)
Assembly of Co Chairs	536	-	536	-	536	207	329
Services on First Nations Reserves	14,250		14,250		14,250	12,383	1,867
Parent/Guardian Maintenance Payments	400		400		400	8	392
Dedicated Revenue Shortfall (SCHEDULE 2)	-	(1,000)	(1,000)	-	(1,000)	-	(1,000)
	654,221	(1,000)	653,221	25,963	679,184	680,145	(961)
Family and Community Support Services							
Program Support	220	-	220	4	224	426	(202)
Financial Assistance to Communities and Organzations							
- Operating Expense	33,250	-	33,250		33,250	32,153	1,097
- Operating Expense funded by Lotteries	30,000	-	30,000	-	30,000	30,000	-
Community Capacity Building	3,270	-	3,270		3,270	2,638	632
Youth Secretariat	310	-	310	-	310	335	(25)
Alberta's Promise	975	-	975	(82)	893	785	108
	68,025	-	68,025	(78)	67,947	66,337	1,610

(CONTINUED)

DEPARTMENT OF ALBERTA CHILDREN'S SERVICES

Comparison of Expenses - Directly Incurred by Element Compared to Authorized Budget • SCHEDULE 5 (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2004-2005 Estimates	Adjustments [a]	2004-2005 Budget	Authorized Supplementary [b]	2004-2005 Authorized Budget	2004-2005 Actual Expenses [c]	Unexpended (Over Expended)
New Capital Investment	300	-	300	1,545	1,845	1,455	390
Total Voted Expenditures	735,801	(1,000)	734,801	27,855	762,656	761,216	1,440
Statutory:							
Valuation Adjustment	1,500	-	1,500		1,500	54	1,446
Total Expenses	$ 737,301	$ (1,000)	$ 736,301	$ 27,855	$ 764,156	$ 761,270	$ 2,886

(a) Adjustment is the dedicated revenue shortfall.

(b) Estimates were approved May 19 2004. Treasury Board approval is pursuant to section 24(2) of the Financial Administration Act.

The Supplementary Estimate was approved on March 24, 2005. Treasury Board approval is pursuant to section 24(2) of the Financial Administration Act.

Supplementary Estimates of $27,855 included:

Funding for $26,755 to assist with new initiatives and increased foster parent maintenance rate.

Salary Contingency Transfer of $1,100 as per section 4 of Appropriation (Supplementary Supply) Act, 2005 authorizing the transfer from the Department of Human Resources and Employment.

(c) The Department has accrued achievement bonuses totalling $785 for management and opted out employees. This has been allocated to the relevant programs.

(d) Prevention of Family Violence includes expenses of [illegible] for Services to On-Reserve Status Indians.

DEPARTMENT OF ALBERTA CHILDREN'S SERVICES

Salary and Benefits Disclosure • SCHEDULE 6

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005				2004
	Base Salary [1]	Other Cash Benefits [2]	Other Non-cash Benefits [3]	Total	Total
Senior Officials					
Deputy Minister [4]	$ 109	$ 38	$ 22	$ 169	$ 219
Child and Youth Advocate	$ 104	$ 20	$ 7	$ 131	$ 131
Executives					
Acting Deputy Minister [5]	$ 45	$ 1	$ 8	$ 54	$ -
Acting Deputy Minister [6]	$ 17	$ 1	$ 3	$ 21	$ -
Assistant Deputy Ministers					
Strategy and Support Services [7]	$ 126	$ 11	$ 25	$ 162	$ 176
Community Strategies [8]	$ 117	$ 30	$ 21	$ 168	$ 176
Service Quality [9]	$ 130	$ 11	$ 24	$ 165	$ 163
Executive Director Prevention of Family Violence and Bullying [10]	$ 106	$ 16	$ 21	$ 143	$ -

Prepared in accordance with Treasury Board Directive 03/2004

Total salary and benefits relating to a position are disclosed.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts and lump sum payments.

(3) Other non cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, and short and long term disability plans.

(4) Automobile provided, no dollar amount included in other non-cash benefits. There were two individuals who occupied this position during the year. The first individual occupied the position from April 1, 2004 to July 31, 2004. The second individual occupied the position from December 1, 2004 to March 31, 2005.

(5) There was an Acting Deputy Minister from June 21, 2004 to October 18, 2004.

(6) There was another Acting Deputy Minister from October 19, 2004 to November 30, 2004.

(7) Two individuals were Acting Assistant Deputy Ministers - one from June 21, 2004 to October 18, 2004 and the second from February 22, 2005 to March 31, 2005.

(8) There was an individual as Acting Assistant Deputy Minister from October 1, 2004 to March 31, 2005.

(9) There was an individual as Acting Assistant Deputy Minister from October 19, 2004 to November 30, 2004.

(10) The position was created on April 1, 2004.

DEPARTMENT OF ALBERTA CHILDREN'S SERVICES

Related Party Transactions • SCHEDULE 7

FOR THE YEAR ENDED MARCH 31, 2005

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position agreed at the amount of consideration agreed upon between the related parties.

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2005	2004	2005	2004
Revenues:				
Internal Government Transfers	$ -	$ -	$ 30,000	$ 30,000
Expenses:				
Grants to Child and Family Services Authorities (CFSAs)	$ 558,912	$ 528,890	$	$
Reimbursements - First Nations Services (CFSAs)	12,306	14,662		-
Ministry of Restructuring and Government Efficiency	-	-	17,447	[illegible]
Ministry of Executive Council	-		544	[illegible]
Ministry of Alberta Infrastructure and Transportation	-		[illegible]	[illegible]
Ministry of Innovation & Science	-			[illegible]
Ministry of Finance	-	-	778	441
	$ 571,218	$ 543,552	$ 18,776	$ 18,274
(Payable to):				
Child and Family Service Authorities	$ (15,485)	$ (14,429)	$	$
Ministry of Restructuring and Government Efficiency	-	-	(515)	
	$ (15,485)	$ (14,429)	$ (515)	$ -

(1) Grant Contributions restated to exclude Grants for Parental Contributions.

(2) Restated as costs for services from the Department of [illegible] are included in Schedule [illegible].

The Department receives services under contracts managed by the Ministry of Restructuring and Government Efficiency. Any commitments under these contracts are reported by the Ministry of Restructuring and Government Efficiency.

The above transactions do not include support service arrangement transactions disclosed in Schedule [illegible].

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 8.

(IN THOUSANDS)

	Other Entities	
	2005	2004
Expenses (NOTIONAL):		
Accommodation	$ 1,469	$ 1,452
Legal Services	645	395
	$ 2,114	$ 1,847

DEPARTMENT OF ALBERTA CHILDREN'S SERVICES

Allocated Costs • SCHEDULE 8

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005						2004
		Expenses Incurred by Others		Valuation Adjustments [5]			
Program	Expenses [1,2]	Accommodation Costs [3]	Legal Services [4]	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Ministry Support	$ 13,279	$ 443	$ -	$111	$ -	$ 13,833	$ 17,120
Services for Children and Families	680,145	844	645	212	(316)	681,530	615,868
Family and Community Support Services	66,337	182	-	47	-	66,566	63,989
	$ 759,761	$ 1,469	$ 645	$370	$ (316)	$ 761,929	$ 696,977

(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Expenses include administration costs totaling $1,897 (2004 - $3,483) for financial, human resources and administrative services which were provided by the Department of Restructuring and Government Efficiency to the Child and Family Service Authorities but paid by the Department of Alberta Children's Services. The Child and Family Service Authorities Allocated Costs schedules include the administration costs paid on their behalf by the Department of Alberta Children's Services.

(3) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure and Transportation, represent the buildings' costs allocated by the number of employees per program.

(4) Costs for Legal Services, which were paid by Alberta Justice, were allocated in proportion to the expenses incurred by each program.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:

Vacation Pay - value of vacation entitlements due to employees assigned to a program.

Doubtful Accounts - estimated expenses incurred by each program.

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Other Information

MINISTRY OF ALBERTA CHILDREN'S SERVICES

Statement of Remissions, Compromises and Write-offs

FOR THE YEAR ENDED MARCH 31, 2005

The following statement has been prepared pursuant to section 28 of the *Financial Administration Act*. The statement includes all remissions, compromises and write-offs the Ministry of Children's Services made or approved during the fiscal year.

	(IN THOUSANDS) 2005
Remissions under section 26 of the *Financial Administration Act*:	$ –
Compromises under section 27 of the *Financial Administration Act*:	$ –
Bankruptcies	$ 34
Write-offs:	
Daycare Subsidy Program	$ 839
Foster Parents Program	
Delegated First Nation Agencies	
	$ 839
Total	$ 873

NOTE: This schedule is supplementary information only, and not part of the audited financial statements.

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Appendices

APPENDIX 1: Glossary of Terms

Alberta's Promise • a public-private partnership dedicated to finding new and better ways of working together to direct more resources to benefit Alberta's children and youth.

Adoptive Care • permanent, family, legal guardianship resting with adoptive parents. Contact with birth family is dictated by terms of adoption, which may be open or closed.

Annual Report • a document produced by government ministries to report on progress made during a fiscal year and measure the performance of all organizational facets against goals set out in the ministry business plan.

Business Plan • a strategic document created to give an organization direction by presenting a clear vision of its overall goals and how performance will be measured.

Children in Care • children determined to be in need of intervention, requiring protective out of home placement, as determined by provincial legislation.

Child Protection Services • delegated authorities empowered to provide mandated intervention based on legislated definitions of children in need of protection, such as children exposed to maltreatment, neglect or suspected/confirmed child abuse.

Differential Response • an approach to case management that provides early identification of vulnerable children and families and mobilization of support services before a crisis occurs, to help more parents fulfill their natural role as caregivers for their children.

Early Childhood Development Strategy (ECD) • an initiative to provide a range of health, social and learning programs and services for parents, families and children from preconception to age six. The initiative strives to ensure children get the best start in life, as well as strengthen parents' capacity to meet their children's needs and promote optimal child development.

Family and Community Support Services (FCSS) • an 80/20 funding partnership between the province, municipalities and Métis Settlements that enables communities to design and deliver preventative social programs to promote and enhance well-being among individuals, families and communities.

Family Enhancement Services • services and supports provided to a family, enabling them to continue to care for their children in the home. These services are used when the children and family are motivated to address the issues impacting their family situation. Family enhancement services can also be provided to youth, 16 years of age of older, who are living independently from their family and who have been assessed to be in need of intervention services.

Family Group Conferencing • bringing together members of an individual's extended family and significant people in their community to collaborate on a family crisis support plan to reach a long-term solution. The plan must be approved by a child welfare worker and include a concurrent plan which designates permanent placement of children if the individual is not able to follow through on the agreed upon course of action.

Fetal Alcohol Spectrum Disorder (FASD) • formerly referred to as Fetal Alcohol Syndrome, FASD refers to a range of physical changes and brain damage associated with fetal exposure to alcohol during pregnancy.

Foster Care • the provision of care by a family, other than a parent or guardian of a child, approved and arranged by a children's services authority, to provide care and supervision of a child in care.

Group Care • staff-based group care, usually limited to 6-9 residents in a home or facility.

Home Visitation • an ECD program providing one-on-one support in the family home to enhance parenting skills, provide child development information, promote child health and other aspects of positive family functioning.

Kinship Care • extended family providing for a child, as arranged through a child protection service provider.

Permanency • a main objective of Children's Services, to see children who are in permanent government care, become adopted or become the subject of a private guardianship order, as quickly as possible, into a stable, nurturing family environment.

Permanency Planning • a goal-oriented, systematic process for placing children into suitable family settings as quickly as possible.

APPENDIX 2: Performance Measures – Data Sources and Methodology

Child Youth Information Module (CYIM) • CYIM is an information system designed to assist with case management. The system provides client-tracking capability (e.g., outcome of investigations, placement type, legal authority, etc.) as well as documentation support for the programs – child protection, adoptions, placement resources, unmarried parents, post-adoption support and family enhancement – under the former *Child Welfare Act* and the current *Child, Youth and Family Enhancement Act*, and the protection of children involved in prostitution under the *PChIP Act*. CYIM is the data source for a number of the performance measures.

Child Care Information System (CCIS) • CCIS contains all pertinent information about licensed social care facilities in Alberta. Child Care Specialists use this system to maintain current information about the licensing and monitoring on all licensed social care facilities including day care centres. CCIS also contains all data related to the Child Care Subsidy Program, Child Care Accreditation, Staff Qualifications Program, Claims Process, and Family Day Home Program.

Child Care Measure • Two internationally recognized program assessment tools, ECERS-R (Early Childhood Environment Rating Scale - revised) and/or the ITERS-R (Infant and Toddler Environment Rating Scale - Revised), were used to gather data for this measure. These tools assess individual playrooms of a child care centre. The ECERS-R is used in playrooms serving children two and a half through five years of age (in some cases, these playrooms also include children up to six and a half years old). The ITERS-R is used in playrooms for children from birth to two and a half years. Both tools rate spatial, programmatic and interpersonal features that directly affect children in early childhood programs. Child Care Specialists receive extensive training on the correct use of the assessment tools and have developed inter-rater reliability.

The result is based on data collected from a random sample of 213 out of 490 licensed day care centres in the province and a random sample of rooms within those day cares assessed between April 1, 2004 and March 31, 2005 (note: two centers were assessed early in April 2005). The margin of error for this sample size is +/- 5.1 per cent at the 95 per cent confidence interval. A score in one room is considered representative of the quality of the program throughout the centre. Child care centres refer to licensed day care centres and do not include family day homes.

Women's Emergency Shelter Outcomes Exit Survey • This survey was designed in 2002-03 and implemented in September 2002 to measure the impact of shelter services for all abused women who were at the end of their stay at Children's Services funded women's emergency shelters. A questionnaire was used in this survey. All abused women were asked to participate in the survey on exit from the shelter. In 2004-05, the total number of abused women with or without dependents admitted to and discharged from women's emergency shelters across the province was 3,357; the total number of valid responses to the survey questionnaire was 1,595. This constitutes a survey response rate of 47.5 per cent. This response rate represents a sample well within the confidence interval of +/-5 per cent, 19 times out of 20 for margin of error.

Client Satisfaction Surveys • An external consultant was contracted through a request for proposal to conduct client surveys for three programs: Foster Care, Adoption, and Child Care Subsidy. Surveys were conducted in cooperation with the Child and Family Services Authorities.

Foster Care Program Survey - A mail-out/telephone follow-up survey was conducted between January 25, 2005 and March 8, 2005. Foster Care Program clients are defined as foster families or applicants who were in the CYIM database as of June 2004. A census survey was used for seven CFSAs where client numbers were not large enough to warrant sampling procedures. In three CFSAs, Regions 3, 4 and 6, random samples of clients were selected. The response rate for the Foster Care Program survey was 76.6 per cent. Out of a valid sample of 1,331 surveys, 1,020 were completed. The overall margin of error for the survey is +/-2.2 per cent, 19 times out of 20.

Adoption Program Survey - The Adoption Program survey was a telephone survey, conducted between February 7, 2005 and March 7, 2005. Adoption Program respondents were defined as individuals who had either submitted an application and were on the waiting list, were awaiting a home assessment, or whose application had been approved to adopt a child. Applicants were identified through the CYIM database in July 2004. From a population of 1,320 clients, a random sample of 489 clients was drawn (163 from a group defined as "application received/waiting list; 163 from a group defined as "home assessment required"; and, 163 from a group defined as "application approved"). Out of a valid sample of

430 clients, 315 surveys were completed, resulting in a response rate of 73.3 per cent. Due to small client numbers, data was not collected at the regional level for this survey. The overall margin of error for this survey is +/- 4.8 per cent, 19 times out of 20.

Child Care Subsidy Program Survey - The Child Care Subsidy Program survey was a telephone survey, conducted between January 18, 2005 and March 8, 2005. Child Care Subsidy Program clients surveyed were those who received subsidies for their children to attend Alberta child care facilities. Clients were identified through the CCIS database in June 2004. A census survey was used for two CFSAs where client numbers were not large enough to warrant sampling procedures. Random samples of clients were selected in seven CFSAs. The Métis Settlements CFSA did not participate in the survey, as there are no child care centers in that region. Out of a valid sample of 2,217 surveys, 1,883 were completed, resulting in a response rate of 84.9 per cent. The margin of error for the survey is +/- 2.0 per cent, 19 times out of 20.

Community Partners Survey • An external consultant was contracted through a request for proposal to conduct a Community Partners telephone interview. It was conducted between January 19, 2005 and February 28, 2005. Community partners were defined as stakeholders who coordinate with their respective CFSA to serve children, youth and families within their community, or agencies contracted to the CFSA to facilitate service delivery coordination. Each of the 10 participating CFSAs was asked to provide an extensive listing of such partners. Out of a total of 665 identified partners, 471 telephone surveys were completed, representing a 71 per cent response rate. Response rates for the CFSAs ranged from 58 per cent to 89 per cent. The margin of error for this survey is estimated to be ±2.4 per cent at the 95 per cent confidence level or 19 times out of 20.

APPENDIX 3: Appeal Panels

Previously, the former *Child Welfare Act* provided for administrative appeals of certain child welfare decisions made by a CFSA. The Child Welfare Appeal Panel heard such appeals.

In August 2004, there was a change in legislation and the *Family Support for Children with Disabilities Act* came into effect. The Family Support for Children with Disabilities Appeal Panel was established to hear appeals under this act. In November 2004, the *Child, Youth and Family Enhancement Act* came into effect, and the Child, Youth and Family Enhancement Appeal Panel was appointed to hear appeals under the act.

The following is a summary of appeal decisions for 2004-05, organized according to the acts under which the appeals were heard: Child Welfare and Enhancement appeals, and Resources for Children with Disabilities and Family Support for Children with Disabilities appeals.

2004-05 Appeals

	CHILD WELFARE (APRIL 1, 2004 - OCTOBER 31, 2004)	ENHANCEMENT (NOVEMBER 1, 2004 - MARCH 31, 2005)
Number received	57	16
Reversed	8	-
Confirmed	6	-
Varied	0	-
Withdrawn/Abandoned	34	2
No Jurisdiction	5	-
Hold/Pending	4	14

	RESOURCES FOR CHILDREN WITH DISABILITIES (APRIL 1, 2004 - OCTOBER 31, 2004)	FAMILY SUPPORT FOR CHILDREN WITH DISABILITIES (NOVEMBER 1, 2004 - MARCH 31, 2005)
Number received	36	7
Reversed	7	-
Confirmed	2	-
Varied	-	-
Withdrawn/Abandoned	22	2
No Jurisdiction	2	-
Hold/Pending	3	5

APPENDIX 4: Child and Family Services Authorities Directory

Southwest Alberta Child and Family Services • REGION 1
107 Palliser Centre
3305 – 18 Avenue North
Lethbridge, AB T1H 5S1
Phone: (403) 381-5543
Fax: (403) 381-5608
CEO: Gord Johnston
CO-CHAIR: Bob Bartlett
CO-CHAIR: Sharon Holtman

Southeast Alberta Child and Family Services • REGION 2
1st Floor, Provincial Building
346 – 3rd Street SE
Medicine Hat, AB T1A 0G7
Phone: (403) 529-3753
Fax: (403) 528 - 5244
CEO: Bryan Heninger
CO-CHAIR: Kathy Cooper
CO-CHAIR: Ken Serr

Calgary and Area Child and Family Services • REGION 3
2nd Floor, 1240 Kensington Road NW
Calgary, AB T2N 3P7
Phone: (403) 297- 6100
Fax: (403) 297-7214
CEO: Bonnie Johnston
CO-CHAIR: Art Cunningham
CO-CHAIR: David Pickersgill

Central Alberta Child and Family Services • REGION 4
3rd Floor, Bishop's Place
4826 Ross Street
Red Deer, AB T4N 1X4
Phone: (403) 341-8642
Fax: (403) 341-8654
CEO: Mark Hattori
CO-CHAIR: Rob Reimer
CO-CHAIR: Sarah Schug

East Central Alberta Child and Family Services • REGION 5
Box 300, 4811 – 49th Avenue
Killam, AB T0B 2L0
Phone: (780) 385-7160
Fax: (780) 385-7163
CEO: David Wilson
CO-CHAIR: Lois Byers
CO-CHAIR: Corrine Miller

Edmonton and Area Child and Family Services • REGION 6
7th Floor, Oxbridge Place
9820 - 106 Street
Edmonton, AB T5K 2J6
Phone: (780) 422-3355
Fax: (780) 422 - 6864
CEO: Donna Mah
CO-CHAIR: Archie Arcand
CO-CHAIR: Dick Frey

North Central Alberta Child and Family Services • REGION 7
PO Box 4742, 2nd Floor
Administrative Building
5143 – 50 Street
Barrhead, AB T7N 1A6
Phone: (780) 305-2440
Fax: (780) 305-2444
CEO: Rick Semel
CO-CHAIR: Alice Reid
CO-CHAIR: Hansa Thaleshvar

Northwest Alberta Child and Family Services • REGION 8
3rd Floor, Provincial Building
10320 – 99 Street
Grande Prairie, AB T8V 6J4
Phone: (780) 538 - 5122
Fax: (780) 538 - 5137
CEO: Carole Anne Patenaude
CO-CHAIR: Dianne Lavoie
CO-CHAIR: Cindy Nylander

Northeast Alberta Child and Family Services • REGION 9
4th Floor, Provincial Building
9915 Franklin Avenue
Fort McMurray, AB T9H 2K4
Phone: (780) 743 - 7461
Fax: (780) 743 - 7474
CEO: Ron Benson
CO-CHAIR: Vacant (under recruitment)
CO-CHAIR: Merle Rudiak

Métis Settlement Child and Family Services • REGION 10
4th Floor, Mayfield Business Centre
10525 – 170 Street
Edmonton, AB T5P 4W2
Phone: (780) 427 - 1033
Fax: (780) 415 - 0177
CEO: Lillian Parenteau
CO-CHAIR: Laurie Thompson
CO-CHAIR: Deborah Andrews

APPENDIX 5: Alphabetical List of Government Entities' Financial Statements

Alphabetical List of Entities' Financial Statements In Ministry 2004-05 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

MINISTRY, DEPARTMENT, FUND OR AGENCY	MINISTRY ANNUAL REPORT
Agriculture Financial Services Corporation[1]	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission	Finance
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Seniors and Community Supports
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Services Inc.	Finance
Child and Family Services Authorities: Calgary and Area Child and Family Services Authority Central Alberta Child and Family Services Authority East Central Alberta Child and Family Services Authority Edmonton and Area Child and Family Services Authority Métis Settlements Child and Family Services Authority	Children's Services

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[1] The Crop Reinsurance Fund of Alberta was merged into the Agriculture Financial Services Corporation, effective April 1, 2003.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

MINISTRY, DEPARTMENT, FUND OR AGENCY	MINISTRY ANNUAL REPORT
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance
Crop Reinsurance Fund of Alberta[1]	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Education	Education
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General	Solicitor General
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Advanced Education[2]	Advanced Education
Ministry of Aboriginal Affairs and Northern Development[2]	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[2]	Economic Development
Ministry of Education	Education

[1] The Crop Reinsurance Fund of Alberta was merged into the Agriculture Financial Services Corporation, effective April 1, 2003.

[2] Ministry includes only the departments so separate department financial statements are not necessary.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

MINISTRY, DEPARTMENT, FUND OR AGENCY	MINISTRY ANNUAL REPORT
Ministry of Energy	Energy
Ministry of Environment[2]	Environment
Ministry of Finance	Finance
Ministry of Executive Council[2]	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services[2]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[2]	Human Resources and Employment
Ministry of Infrastructure and Transportation[2]	Infrastructure and Transportation
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[2]	International and Intergovernmental Relations
Ministry of Justice[2]	Justice
Ministry of Municipal Affairs[2]	Municipal Affairs
Ministry of Restructuring and Government Efficiency[2]	Restructuring and Government Efficiency
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Solicitor General	Solicitor General
Ministry of Sustainable Resource Development	Sustainable Resource Development
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards: Calgary Region Community Board Central Region Community Board Edmonton Region Community Board Northeast Region Community Board Northwest Region Community Board South Region Community Board	Seniors and Community Supports
Persons with Developmental Disabilities Provincial Board	Seniors and Community Supports
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation	Community Development

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[2] Ministry includes only the departments so separate department financial statements are not necessary.

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

FUND OR AGENCY	MINISTRY ANNUAL REPORT
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Post Secondary Institutions	Advance Education
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Education
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment

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Auditor's Report

AUDITOR
GENERAL
Alberta

To the Members of the Southwest Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Southwest Alberta Child and Family Services Authority (the Authority) as at March 31, 2005 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 11, 2005

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Operations

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS)		
	2005		2004
	Budget	Actual	Actual
Revenues			
Grant from the Department of Alberta Children's Services (NOTE 4)	$ 27,162	$ 28,896	$ 26,882
Recoveries - First Nation Reserves	790	467	1,204
Recoveries - Inter-Authority Services	230	206	233
Miscellaneous Revenue	150	27	31
	28,332	29,596	28,350
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well-being of children, youth and families			
Child Care	3,000	3,163	3,271
Early Intervention	1,180	1,258	1,099
Prevention of Family Violence	150	167	146
Parenting Resources	331	298	327
Fetal Alcohol Initiatives	125	582	545
Keeping children, youth and families safe and protected			
Child Welfare Services	17,950	17,644	17,883
Resources for Children with Disabilities	3,870	4,341	3,129
Child Financial Support	106	262	202
Promoting healthy communities for children, youth and families			
Community Coordination	150	188	127
Support Services			
Program Support	1,079	1,232	1,190
Board Governance	90	171	84
Inter-Authority Services	230	206	133
Valuation Adjustment			
Vacation Pay (NOTE 2)		5	(11)
	28,332	29,517	28,549
Net Operating Results	$ -	$ 79	$ (199)

The accompanying notes and schedules are part of these financial statements.

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Financial Position

AS AT MARCH 31, 2005

	(IN THOUSANDS)	
	2005	2004
Assets		
Cash	$ 1,194	$ 1,278
Accounts Receivable (NOTE 5)	1,028	757
	$ 2,222	$ 2,035
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 6)	$ 1,924	$ 1,816
Net Assets		
Net Assets at Beginning of Year	219	418
Net Operating Results	79	(199)
Net Assets at End of Year	298	219
	$ 2,222	$ 2,035

The accompanying notes and schedules are part of these financial statements.

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS) 2005	2004
Operating Transactions:		
Net Operating Results	$ 79	$ (199)
Non-Cash Items		
Vacation Pay	1	(1)
	80	(200)
Decrease (INCREASE) in Accounts Receivable	(271)	426
Increase (DECREASE) in Accounts Payable and Accrued Liabilities (a)	107	(125)
Cash Provided by (APPLIED TO) Operating Transactions	(84)	101
Increase (Decrease) in Cash	(84)	101
Cash, Beginning of Year	1,278	1,177
Cash, End of Year	$ 1,194	$ 1,278

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Notes to the Financial Statements

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 Authority and Purpose

The Southwest Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Alberta Children's Services.

The purpose of the Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Alberta Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer, all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

REPORTING ENTITY

The reporting entity is the Southwest Alberta Child and Family Services Authority, which is part of the Ministry of Alberta Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and for employees assigned to the Authority by the Department of Alberta Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Alberta Children's Services to the Authority, which are included in salary, wages and employee benefits expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

INCURRED BY OTHERS

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES...continued

Assets

The carrying value of cash, accounts receivable, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include vehicles, office equipment, furniture, and computer equipment. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000 (2004 - $15,000). Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Alberta Children's Services. The Authority is economically dependent upon the Department of Alberta Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2004-05 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 24, 2004. The Authority approved the budget of $28,332 on February 18, 2004.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable, and accounts payable and accrued liabilities recorded at $1,028 and $1,924 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using an analysis of prior year accruals, the time lags of current year expenditures as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 Blood Tribe Delegation

Effective June 9, 2003 the Ministry granted delegation of child protection services to the Blood Tribe. These services involve Blood Tribe children formerly under the delegation of Southwest Alberta Child and Family Services Authority. This has decreased child welfare expenditures and First Nations Recovery revenues, the financial impact of which is recorded in these statements.

NOTE 4 Grant from the Department of Alberta Children's Services

The grant was determined as follows:

	(IN THOUSANDS)
Initial (ORIGINAL) budget	$ 27,182
Additional funding for the current year	1,694
Grant for the year	$ 28,876

NOTE 5 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(IN THOUSANDS) 2005	2004
Department of Alberta Children's Services	$ 977	$ 613
Refunds from suppliers	27	135
Child and Family Services Authorities	24	9
	$ 1,028	$ 757

NOTE 6 Accounts Payable and Accrued Liabilities

The accounts payable and accrued vacation pay are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(IN THOUSANDS)	
	2005	2004
Trade Payable	$ 1,163	$ 1,055
Accrued Vacation Pay	750	750
Department of Alberta Children's Services	9	11
Child and Family Services Authorities	2	-
	$ 1,924	$ 1,816

NOTE 7 Contractual Obligations

As at March 31, 2005, the Authority has the following contractual obligations:

	(IN THOUSANDS)	
	2005	2004
Long-term leases[a]	$ 212	$ 132

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2010. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(IN THOUSANDS)
2006	$ 84
2007	$ 52
2008	$ 46
2009	$ 27
2010	$ 3

NOTE 8 Contingencies (IN THOUSANDS)

At March 31, 2005, the Authority is involved in two claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2004 – one legal claim). The claims have a specified amount totaling $1,375 (2004 – $1,300). The claims amounting to $1,375 are covered by the Alberta Risk Management and Insurance Fund. The resulting loss, if any, from these claims cannot be determined.

NOTE 9 Comparative Figures

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

NOTE 10 Approval of Financial Statements

The financial statements have been approved by the Authority's Board.

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Expenses Detailed by Object • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005		2004
	Budget	Actual	Actual
Salaries, Wages and Employee benefits (a)	$ 9,134	$ 8,801	$ 8,398
Supplies and Services	16,224	17,550	17,295
Grants	2,744	2,959	3,024
Inter-Authority Services	230	206	233
Other	-	1	(1)
	28,332	29,517	28,949
Less: Recovery from Alberta Health and Wellness	-	-	(400)
	$ 28,332	$ 29,517	$ 28,549

(a) This includes $43 (2004 - $32) in achievement bonuses for management and non-union staff

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Disclosure of Salary and Benefits • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005				2004
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Co-Chair of the Authority	$ -	$ 30	$	$ 30	$ 21
Co-Chair of the Authority	$ -	$ 21	$ -	$ 21	$ 16
Board Members (8 MEMBERS)	$ -	$ 58	$ -	$ 58	$ 46
Chief Executive Officer[4]	$ 124	$ 18	$ 25	$ 167	$ 136

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pensionable pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime, and lump sum payments. Co-chairs and board members receive honoraria only. Honoraria includes both Regional and Department activities.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, long and short-term disability plans, professional memberships and tuition fees.

(4) As a result of the transition from 18 to 10 Child and Family Services Authorities effective April 1, 2003, the Chief Executive of Southeast Alberta Child and Family Services Authority operated as the transitional Chief Executive Officer for both Southeast Alberta and Southwest Alberta Child and Family Services Authorities. While the schedule above includes the full salary and benefits of the transitional CEO for the year ended March 31, 2004, the authority only paid 50% of the Salary and Benefits in 2004.

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Related Party Transactions • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2005

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges.

These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2005	2004	2005	2004
Revenues:				
Grant from the Department of Alberta Children's Services	$ 28,876	$ 26,882	$ -	$ -
Recoveries - First Nation Reserves	487	1,004	-	-
Recoveries - Inter-Authority Services	206	233	-	-
Prior Year Revenue - Inter-Authority Services	-	2	-	-
Prior Year Revenue - First Nation Reserves	15	-	-	-
	$ 29,584	$ 28,121	$ -	$ -
Expenses:				
Inter-Authority Services Received	$ -	$ -	$ -	$ -
Department of Alberta Children's Services	475	404	-	-
Department of Restructuring and Government Efficiency	-	-	13	12
	$ 475	$ 404	$ 13	$ 12
Receivable from/(Payable to):				
Department of Alberta Children's Services (NET)	$ 968	$ 562	$ -	$ -
Calgary and Area Child and Family Services Authority	(2)	9	-	-
Southeast Alberta Child and Family Services Authority	24	-	-	-
Alberta Human Resources and Employment	-	-	-	1
Persons with Developmental Disabilities	-	-	(14)	(5)
	$ 990	$ 571	$ (14)	$ (4)

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

(IN THOUSANDS)

	Other Entities	
	2005	2004
Expenses (NOTIONAL):		
Accommodation	$ 741	$ 675
Administrative	176	360
Legal Services	2	2
	$ 919	$ 1,037

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Allocated Costs • SCHEDULE 4

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005						2004
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses (1)	Accommodation Costs (2)	Administration Costs (3)	Legal Services (4)	Vacation Pay (5)	Total Expenses	Total Expenses
Child Care	$ 3,183	$ 36	$ -	$ -	$ -	$ 3,219	$ 3,304
Early Intervention	1,250	-	-	-	-	1,250	1,016
Prevention of Family Violence	92	-	-	-	-	92	157
Parenting Resources	298	-	-	-	-	298	577
Fetal Alcohol Initiatives	502	-	-	-	-	502	545
Child Welfare Services	17,999	621	-	2	1	18,623	18,404
Resources for Children with Disabilities	4,241	38	-	-	-	4,279	3,753
Child Financial Support	252	-	-	-	-	252	202
Community Coordination	144	-	-	-	-	144	127
Program Support	1,232	46	176	-	-	1,454	1,174
Board Governance	117	-	-	-	-	117	94
Inter-Authority Services	206	-	-	-	-	206	233
	$ 29,516	$ 741	$ 176	$ 2	$ 1	$ 30,436	$ 29,586

(1) Expenses as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure and Transportation , represent the Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Alberta Children's Services.

(4) Costs for legal services, which were paid by Department of Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child, Youth and Family Enhancement Act*.

(5) Valuation Adjustment as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program.

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

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MARCH 31, 2005

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SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Auditor's Report

AUDITOR
GENERAL
Alberta

To the Members of the Southeast Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Southeast Alberta Child and Family Services Authority (the Authority) as at March 31, 2005 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 5, 2005

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Operations

FOR THE YEAR ENDED MARCH 31, 2005

	2005		2004
	Budget	Actual	Actual
Revenues			
Grant from the Department of Alberta Children's Services (NOTE 3)	$ 15,058	$ 16,272	$ 14,704
Recoveries - First Nation Reserves			8
Miscellaneous Revenue (NOTE 4)		7	53
	15,058	16,279	14,765
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well-being of children, youth and families:			
Child Care	2,140	2,142	2,084
Early Intervention	1,400	1,315	1,309
Parenting Resources	255	251	228
Fetal Alcohol Initiatives	90	95	104
Keeping children, youth and families safe and protected:			
Child Welfare Services	8,953	10,186	8,819
Resources for Children with Disabilities	1,780	1,586	1,547
Child Financial Support	85	133	108
Support Services:			
Program Support	300	699	542
Board Governance	55	32	57
Valuation Adjustment			
Vacation Pay (NOTE 2)		15	(53)
	15,058	16,454	14,745
Net Operating Results	$ -	$ (175)	$ 20

(IN THOUSANDS)

The accompanying notes and schedules are part of these financial statements.

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Financial Position

AS AT MARCH 31, 2005

	IN THOUSANDS	
	2005	2004
Assets		
Cash	$ 809	$ 981
Accounts Receivable (NOTE 4)	498	354
	$ 1,307	$ 1,335
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 5)	$ 1,134	$ 987
Net Assets		
Net Assets at Beginning of Year	348	328
Net Operating Results	(175)	20
Net Assets at End of Year	173	348
	$ 1,307	$ 1,335

The accompanying notes and schedules are part of these financial statements.

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS)	
	2005	2004
Operating Transactions:		
Net Operating Results	$ (175)	$ 20
Non-Cash Item:		
Vacation Pay	15	30
	(160)	50
Increase in Accounts Receivable	(144)	(6)
Increase in Accounts Payable and Accrued Liabilities (a)	132	44
Cash Provided by (APPLIED TO) Operating Transactions	(172)	88
Increase (Decrease) in Cash	(172)	88
Cash, Beginning of Year	981	893
Cash, End of Year	$ 809	$ 981

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Notes to the Financial Statements

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 Authority and Purpose

The Southeast Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Alberta Children's Services.

The purpose of the Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Alberta Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer, all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

REPORTING ENTITY

The reporting entity is the Southeast Alberta Child and Family Services Authority, which is part of the Ministry of Alberta Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements that are restricted, are recognized in the year when the related expenses are incurred.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- amortization of tangible capital assets,
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and for employees assigned to the Authority by the Department of Alberta Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Alberta Children's Services to the Authority, which are included in salary, wages and employee benefits expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

INCURRED BY OTHERS

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivable, and advances approximates their fair values, due to the short-term nature of these items.

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Alberta Children's Services. The Authority is economically dependent upon the Department of Alberta Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2004-05 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 24, 2004. The Authority approved the budget of $15,058 on February 26, 2004.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable, and accounts payable and accrued liabilities recorded at $498 and $1,134 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the prior year and current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

Note 3 Grant from the Department of Alberta Children's Services

The grant was determined as follows:

	(IN THOUSANDS)
Initial (ORIGINAL) budget	$ 15,058
Additional funding for the current year	1,214
Grant for the year	$ 16,272

NOTE 4 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(IN THOUSANDS)	
	2005	2004
Department of Alberta Children's Services	$ 496	$ 354
Other	2	-
	$ 498	$ 354

NOTE 5 Accounts Payable and Accrued Liabilities

The accounts payable and accrued vacation pay are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(IN THOUSANDS)	
	2005	2004
Trade Payable	$ 740	$ 629
Accrued Vacation Pay	368	354
Child and Family Services Authorities	24	0
Department of Alberta Children's Services	2	4
	$ 1,134	$ 987

NOTE 6 Miscellaneous Revenue

Miscellaneous revenue includes the following:

	(IN THOUSANDS) 2005	2004
Other miscellaneous revenue	$ 7	$ 5
Previous year over accrual	-	48
	$ 7	$ 53

NOTE 7 Contractual Obligations

As at March 31, 2005, the Authority has the following contractual obligations:

	(IN THOUSANDS) 2005	2004
Long-term leases[a]	$ 71	$ 72

[a] The Authority leases certain equipment under operating leases that expire on various dates to 2009. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(IN THOUSANDS)
2006	$ 36
2007	$ 20
2008	$ 13
2009	$ 2

NOTE 8 Comparative Figures

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

NOTE 9 Approval of Financial Statements

The financial statements have been approved by the Authority's Board.

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Expenses Detailed by Object • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005		2004
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits[a]	$ 4,513	$ 4,929	$ 4,307
Supplies and Services	8,604	9,396	8,304
Grants	1,941	2,114	2,104
Other	-	15	30
	$ 15,058	$ 16,454	$ 14,745

(a) This includes $28 (2004 - $19) in achievement bonuses for management and non-union staff.

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Disclosure of Salary and Benefits • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005				2004
	Base Salary [1]	Other Cash Benefits [2]	Other Non-cash Benefits [3]	Total	Total
Co-Chair of the Authority	$ -	$ 19	$ -	$ 19	$ 6
Co-Chair of the Authority	$ -	$ 10	$ -	$ 10	$ 12
Board Members (7 MEMBERS)	$ -	$ 14	$ -	$ 14	$ 11
Chief Executive Officer [4]	$ 108	$ 11	$ 22	$ 141	$ 136

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes pensionable regular pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime, and lump sum payments. Co-chairs and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

(4) As a result of the transition from 18 to 10 Child and Family Services Authorities effective April 1, 2003, the Chief Executive of Southeast Alberta Child and Family Services Authority operated as the transitional Chief Executive Officer for both Southeast Alberta and Southwest Alberta Child and Family Services Authorities. While the schedule above includes the full salary and benefits of the transitional CEO for the year ended March 31, 2004, the Authority only paid 50% of the salary and benefits in 2004.

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Related Party Transactions • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2005

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2005	2004	2005	2004
Revenues:				
Grant from the Department of Alberta Children's Services	$ 16,272	$ 14,704	$ -	$ -
Recoveries - First Nation Reserves	-	8	-	-
Recoveries - Inter-Authority Services	-	3	-	-
Grasslands Regional Division No. 6	-	-	4	-
	$ 16,272	$ 14,715	$ 4	$ -
Expenses:				
Inter-Authority Services Received	$ 116	$ 10	$ -	$ -
Department of Alberta Children's Services	271	283	-	-
Alberta Human Resources and Employment	-	-	3	4
Persons with Developmental Disabilities South Region Community Board	-	-	12	7
Department of Restructuring and Government Efficiency	-	-	7	6
	$ 387	$ 293	$ 22	$ 17
Receivable from/(PAYABLE TO):				
Department of Alberta Children's Services (NET)	$ 494	$ 350	$ -	$ -
Southwest Alberta Child and Family Services Authority	(24)	-	-	-
Persons with Developmental Disabilities South Region Community Board	-	-	-	(7)
	$ 470	$ 350	$ -	$ (7)

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

(IN THOUSANDS)

	Other Entities	
	2005	2004
Expenses (NOTIONAL):		
Accommodation	$ 683	$ 453
Administrative	83	190
Legal Services	-	2
	$ 766	$ 645

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Allocated Costs • SCHEDULE 4

FOR THE YEAR ENDED MARCH 31, 2005

	(in thousands)						
	2005						2004
		Expenses - Incurred by Others			Valuation Adjustment		
Program	Expenses [1]	Accommodation Costs [2]	Administration Costs [3]	Legal Services [4]	Vacation Pay	Total Expenses	Total Expenses
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]					[illegible]	[illegible]
[illegible]	[illegible]					[illegible]	[illegible]
[illegible]	[illegible]					[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]				[illegible]	[illegible]
[illegible]	[illegible]					[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]					[illegible]	[illegible]
	$ 16,439	$ 683	$ 83	$ -	$ 15	$ 17,220	$ 15,390

[1] [illegible]

[2] [illegible]

[3] [illegible]

[4] [illegible]

[illegible]

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY

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MARCH 31, 2005

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Auditor's Report

AUDITOR GENERAL
Alberta

To the Members of the Calgary and Area Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Calgary and Area Child and Family Services Authority (the Authority) as at March 31, 2005 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 19, 2005

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Operations

FOR THE YEAR ENDED MARCH 31, 2005

	2005		2004
	Budget	Actual	Actual
Revenues			
Grant from the Department of Alberta Children's Services [illegible]	$ [illegible]	$ [illegible]	$ [illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
Expenses [illegible]			
Promoting the development and well-being of children, youth and families			
Child Care	[illegible]	[illegible]	[illegible]
Early Intervention	[illegible]	[illegible]	[illegible]
Prevention of Family Violence	[illegible]	[illegible]	[illegible]
Parenting Resources	[illegible]	[illegible]	[illegible]
Fetal Alcohol Initiatives	[illegible]	[illegible]	[illegible]
Keeping children, youth and families safe and protected			
Child Welfare Services	[illegible]	[illegible]	[illegible]
Resources for Children with Disabilities	[illegible]	[illegible]	[illegible]
Child Financial Support	[illegible]	[illegible]	[illegible]
Promoting healthy communities for children, youth and families			
Community Coordination	[illegible]	[illegible]	[illegible]
Support Services			
Program Support	[illegible]	[illegible]	[illegible]
Board Governance	[illegible]	[illegible]	[illegible]
Inter-Authority Services		[illegible]	[illegible]
Valuation Adjustment			
Vacation Pay		[illegible]	[illegible]
Amortization		[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
Net Operating Results	$ -	$ 705	$ 648

The accompanying notes and schedules are part of these financial statements.

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Financial Position

AS AT MARCH 31, 2005

	(in thousands)	
	2005	2004
Assets		
Cash	$ 14,993	$ 16,113
Accounts Receivable (Note 4)	5,781	3,348
Tangible Capital Assets (Note 5)	161	
	$ 20,935	$ 19,461
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	$ 11,027	$ 10,258
Net Assets		
Net Assets at Beginning of Year	9,203	8,555
Net Operating Results	705	648
Net Assets at End of Year	9,908	9,203
	$ 20,935	$ 19,461

The accompanying notes and schedules are part of these financial statements.

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS) 2005	 2004
Operating Transactions:		
Net Operating Results	$ 705	$ 648
Non-Cash Items:		
Amortization of Tangible Capital Assets	21	110
Valuation Adjustments	313	205
	1,039	963
Increase in Accounts Receivable	(463)	(517)
Increase in Accounts Payable and Accrued Liabilities	456	1,387
Cash Provided by Operating Transactions	1,032	1,833
Investing Transactions:		
Purchases of Tangible Capital Assets	(152)	
Cash Used by Investing Transactions	(152)	
Increase in Cash	880	1,833
Cash, Beginning of Year	16,113	14,280
Cash, End of Year	$ 16,993	$ 16,113

(a) [illegible]

The accompanying notes and schedules are part of these financial statements.

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Notes to the Financial Statements

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 Authority and Purpose

The Calgary and Area Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Alberta Children's Services.

The purpose of the Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Alberta Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer, all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

REPORTING ENTITY

The reporting entity is the Calgary and Area Child and Family Services Authority, which is part of the Ministry of Alberta Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements (Note 10) that are restricted, are recognized in the year when the related expenses are incurred.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- amortization of tangible capital assets,
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and for employees assigned to the Authority by the Department of Alberta Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Alberta Children's Services to the Authority, which are included in salary, wages and employee benefits expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

INCURRED BY OTHERS

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash and accounts receivable approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include office equipment, furniture, and leasehold improvements. Leasehold improvements are amortized over the remaining term of the lease. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000 (2004-$15,000). Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Alberta Children's Services. The Authority is economically dependent upon the Department of Alberta Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2004-05 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 24, 2004. The Authority approved the budget of $155,731 on May 11, 2004.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable, and accounts payable and accrued liabilities recorded at $3,781 and $11,027 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the prior year and current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 Grant from the Department of Alberta Children's Services

The grant was determined as follows:

	(IN THOUSANDS)
Initial (ORIGINAL) budget	$ 153,706
Additional funding for the current year	2,571
Grant for the year	$ 156,277

NOTE 4 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(IN THOUSANDS)	
	2005	2004
Department of Alberta Children's Services	$ 3,615	$ 2,742
Other	164	600
Child and Family Services Authorities	2	6
	$ 3,781	$ 3,348

NOTE 5 Tangible Capital Assets

(IN THOUSANDS)

	2005				2004
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Leasehold Improvements	5 years	$ 59	$ 9	$ 50	$ -
Office Equipment	10 years	123	12	111	-
		$ 182	$ 21	$ 161	$ -

NOTE 6 Accounts Payable and Accrued Liabilities

The accounts payable and accrued vacation pay are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

(IN THOUSANDS)

	2005	2004
Trade Payable	$ 8,089	$ 7,621
Accrued Vacation Pay	2,897	2,605
Department of Alberta Children's Services	18	17
Other	14	5
Child and Family Services Authorities	9	10
	$ 11,027	$ 10,258

NOTE 7 Miscellaneous Revenue

Miscellaneous revenue includes the following:

(IN THOUSANDS)

	2005	2004
Other miscellaneous revenue	$ 855	$ 631
Recoveries of costs incurred under an agreement [illegible]	80	230
	$ 935	$ 861

NOTE 8 Contractual Obligations

As at March 31, 2005, the Authority has the following contractual obligations:

	2005	2004
	(IN THOUSANDS)	
Long-term leases(1)	$ 344	$ [illegible]

(1) The Authority leases certain equipment under operating leases that expire on various dates to 2010. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(IN THOUSANDS)
2006	$ [illegible]
2007	$ [illegible]
2008	$ [illegible]
2009	$ [illegible]
2010	$ [illegible]

NOTE 9 Contingent Liabilities (IN THOUSANDS)

At March 31, 2005, the Authority is involved in 5 claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2004–5 legal claims). The five claims have specified amounts totaling $5,375 (2004 –5 claims with a specified amount of $5,375).

Included in the total legal claims is one claim amounting to $1,200 in which the Authority has been jointly named with other entities. Four claims amounting to $4,625 are covered by the Alberta Risk Management and Insurance Fund.

The resulting loss, if any, from these claims cannot be determined.

NOTE 10 Third Party Agreements (IN THOUSANDS)

The Authority has entered into three third party agreements with Student Health Partnership, Human Resources and Employment, and Seniors and Community Supports for various program services. The revenues of $857 (2004–$1,166) and expenses of $985 (2004–$1,035) are included in the financial statements.

	2005	2004
	(IN THOUSANDS)	
Student Health Partnership (OTHER REVENUE)	$ 777	$ 936
Human Resources and Employment	$ 80	$ 230
Seniors and Community Supports	$ (985)	$ (1,035)

NOTE 11 Comparative Figures

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

NOTE 12 Approval of Financial Statements

The financial statements have been approved by the Authority's Board.

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Expenses Detailed by Object • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS)		
	2005		2004
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits [a]	$ 30,599	$ 31,941	$ 29,055
Supplies and Services	110,901	110,886	108,656
Supplies and Services – support service arrangement with related party [b]	985	985	1,035
Grants	13,196	13,724	13,185
Amortization of Tangible Capital Assets	-	21	110
Inter-Authority Services	-	8	70
Other	50	393	154
	$ 155,731	$ 157,958	$ 152,265

(a) This includes $155 (2004: $125) in achievement bonuses for management and non-union staff.

(b) The Authority receives human resource, financial, and other administrative support services from the Department of Seniors and Community Supports.

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Disclosure of Salary and Benefits • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005								2004	
		Base Salary [1]		Other Cash Benefits [2]		Other Non-cash Benefits [3]		Total		Total
Co-Chair of the Authority	$	-	$	16	$		$	16	$	17
Co-Chair of the Authority	$		$	14	$	-	$	14	$	14
Board Members (14 MEMBERS)	$		$	49	$		$	49	$	44
Chief Executive Officer [4]	$	153	$	20	$	5	$	178	$	174

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pay.

(2) Other cash benefits include bonuses, vacation payments, and lump sum payments. Co-Chairs and board members receive honoraria only.

(3) Non-cash benefits include the employer's share of all employee benefits and contributions or payments made on behalf of employees including health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.

(4) Automobile provided to the CEO, no dollar amount included in non-cash benefits figures.

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Related Party Transactions • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2005

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

(in thousands)

	Entities in the Ministry		Other Entities	
	2005	2004	2005	2004
Revenues:				
Grant from the Department of Alberta Children's Services	$ 156,277	$ 150,916	$ -	$ -
Recoveries - First Nation Reserves	666	190	-	-
Recoveries - Inter-Authority Services	8	10	-	-
Alberta Human Resources and Employment	-	-	80	230
	$ 156,951	$ 151,116	$ 80	$ 230
Expenses:				
Inter-Authority Services Received	$ 118	$ 146	$ -	$ -
Department of Alberta Children's Services	1,479	1,558	-	-
Department of Restructuring and Government Efficiency	-	-	70	1
	$ 1,597	$ 1,704	$ 70	$ 1
Receivable from/(Payable to):				
Department of Alberta Children's Services (Net)	$ 3,597	$ 2,725	$ -	$ -
Southwest Alberta Child and Family Services Authority	2	(9)	-	-
Central Alberta Child and Family Services Authority	-	6	-	-
Edmonton and Area Child and Family Services Authority	(9)	(10)	-	-
	$ 3,590	$ 2,712	$ -	$ -

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

(in thousands)

	Other Entities	
	2005	2004
Expenses (NOTIONAL):		
Accommodation	$ 4,400	$ 3,991
Administrative	406	496
Legal Services	563	429
	$ 5,369	$ 4,916

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Allocated Costs • SCHEDULE 4

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005						2004
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses [1]	Accommodation Costs [2]	Administration Costs [3]	Legal Services [4]	Vacation Pay [5]	Total Expenses	Total Expenses
Child Care	$ 15,144	$ 200	$	$	$ 14	$ 15,358	$ 14,945
Early Intervention	5,471					5,471	6,057
Prevention of Family Violence	541					541	94
Parenting Resources	1,644					1,644	1,674
Fetal Alcohol Initiatives	878					878	916
Child Welfare Services	101,379	3,828		563	271	106,041	102,392
Resources for Children with Disabilities	25,792	244			17	26,051	24,317
Child Financial Support	806					806	765
Community Coordination	2,933					2,933	2,755
Program Support	2,809	128	406		9	3,352	3,151
Board Governance	125					125	81
Inter Authority Services	8					8	10
Amortization	21					21	110
	$ 157,645	$ 4,400	$ 406	$ 563	$ 313	$ 163,327	$ 157,181

(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs, including grants in lieu of taxes, which were paid by Alberta Infrastructure and Transportation, represent the Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for finance, human resources and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Alberta Children's Services.

(4) Costs for legal services, which were paid by the Department of Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

(5) Valuation Adjustment as per the Statement of Operations include vacation pay. The vacation pay provision represents vacation entitlements due to all employees assigned to a program. Vacation pay is allocated to the program based on actual number of employees in the program.

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

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MARCH 31, 2005

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CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Auditor's Report

AUDITOR
GENERAL
Alberta

To the Members of the Central Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Central Alberta Child and Family Services Authority (the Authority) as at March 31, 2005 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 11, 2005

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Operations

FOR THE YEAR ENDED MARCH 31, 2005

	2005 Budget	2005 Actual	2004 Actual
		(IN THOUSANDS)	
Revenues			
Grant from the Department of Alberta Children's Services (NOTE 3)	$ 46,332	$ 47,223	$ 46,587
Recoveries - First Nation Reserves	3,890	3,617	3,084
Recoveries - Inter-Authority Services	75	84	93
Donations			15
Miscellaneous Revenue (NOTE 7)	-	107	65
	50,297	51,031	49,844
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families			
Child Care	4,495	4,889	5,926
Early Intervention	2,855	2,951	6,519
Prevention of Family Violence	505	992	192
Parenting Resources	550	909	343
Fetal Alcohol Initiatives	210	332	288
Keeping children, youth and families safe and protected			
Child Welfare Services	30,945	32,536	31,091
Resources for Children with Disabilities	7,197	5,234	10,505
Child Financial Support	335	486	507
Promoting healthy communities for children, youth and families			
Community Coordination	1,370	1,293	1,583
Support Services			
Program Support	1,425	2,093	1,089
Board Governance	285	263	217
Inter-Authority Services	75	84	109
Valuation adjustment			
Vacation Pay (NOTE 2)		97	79
Amortization		15	
	50,297	51,089	49,497
Net Operating Results	$ -	$ (58)	$ 347

The accompanying notes and schedules are part of these financial statements.

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Financial Position

AS AT MARCH 31, 2005

	(IN THOUSANDS) 2005	2004
Assets		
Cash	$ 2,105	$ 1,787
Accounts Receivable (NOTE 4)	2,076	1,758
Advances	1	1
Tangible Capital Assets (NOTE 5)	6	-
	4,188	3,546
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 6)	$ 3,944	$ 3,244
Net Assets		
Net Assets (LIABILITIES) at Beginning of Year	302	(45)
Net Operating Results	(58)	347
Net Assets at End of Year	244	302
	$ 4,188	$ 3,546

The accompanying notes and schedules are part of these financial statements.

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2005

	(in thousands)	
	2005	2004
Operating Transactions:		
Net Operating Results	$ (58)	$ 347
Non-Cash Items:		
Amortization of Tangible Capital Assets	1	
Vacation Pay	97	19
	40	366
Increase in Accounts Receivable	(318)	(213)
Increase in Accounts Payable and Accrued Liabilities [a]	603	274
Cash Provided by Operating Transactions	325	427
Investing Transactions:		
Purchases of Capital Assets	(7)	
Cash Used by Investing Transactions	(7)	
Increase in Cash	318	427
Cash, Beginning of Year	1,787	1,360
Cash, End of Year	$ 2,105	$ 1,787

(a) Adjusted for vacation pay

The accompanying notes and schedules are part of these financial statements.

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Notes to the Financial Statements

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 Authority and Purpose

The Central Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Alberta Children's Services.

The purpose of the Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Alberta Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer, all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

REPORTING ENTITY

The reporting entity is the Central Alberta Child and Family Services Authority, which is part of the Ministry of Alberta Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- amortization of tangible capital assets,
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and for employees assigned to the Authority by the Department of Alberta Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Alberta Children's Services to the Authority, which are included in salary, wages and employee benefits expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

INCURRED BY OTHERS

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivable, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include vehicles, office equipment, furniture, and computer equipment. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000 (2004-$15,000).

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Alberta Children's Services. The Authority is economically dependent upon the Department of Alberta Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2004-05 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 24, 2004. The Authority approved the budget of $50,297 on March 1, 2004.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable, and accounts payable and accrued liabilities recorded at $2,076 and $3,944 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the prior year and current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 Grant from the Department of Alberta Children's Services

The grant was determined as follows:

	(IN THOUSANDS)
Initial (ORIGINAL) budget	$ 46,332
Additional funding for the current year	891
Grant for the year	$ 47,223

NOTE 4 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(IN THOUSANDS)	
	2005	2004
Department of Alberta Children's Services	$ 1,939	$ 1,564
Child and Family Services Authorities	23	7
Other	114	187
	$ 2,076	$ 1,758

NOTE 5 Tangible Capital Assets

	(IN THOUSANDS)				
	2005				2004
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Audio Visual Equipment	10 years	$ 7	$ 1	$ 6	$ -

NOTE 6 Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

(IN THOUSANDS)

	2005	2004
Trade Payable	$ 2,586	$ 2,144
Accrued Vacation Pay and Manpower	1,147	1,050
Department of Alberta Children's Services	162	11
Child and Family Services Authorities	16	39
Other	33	
	$ 3,944	$ 3,244

NOTE 7 Miscellaneous Revenue

Miscellaneous revenue includes the following:

(IN THOUSANDS)

	2005	2004
Recoveries	$ 79	$ 63
Other	22	
Prior Year Expenditure Refund	6	
	$ 107	$ 63

NOTE 8 Contractual Obligations

As at March 31, 2005, the Authority has the following contractual obligations:

(IN THOUSANDS)

	2005	2004
Long-term leases(a)	$ 335	$ 250

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2009. The aggregate amounts payable for the unexpired terms of these leases are as follows:

(IN THOUSANDS)

2006	$ 168
2007	$ 113
2008	$ 46
2009	$ 8

NOTE 9 Comparative Figures

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

NOTE 10 Approval of Financial Statements

The financial statements have been approved by the Authority's Board.

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Expenses Detailed by Object • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2005

(in thousands)

	2005		2004
	Budget	Actual	Actual
Salaries, Wages and Employee benefits [a]	$ 13,091	$ 12,882	$ 12,339
Supplies and Services	32,937	33,994	34,070
Grants	4,269	4,031	4,058
Amortization of Tangible Capital Assets	-	1	-
Inter-Authority Services	-	84	59
Other	-	97	20
	50,297	51,089	50,546
Less Recovery From:			
Alberta Health and Wellness	-	-	(500)
	$ 50,297	$ 51,089	$ 50,046

(a) This includes $67 (2004 - $58) in achievement bonuses for management and non-union staff.

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Disclosure of Salary and Benefits • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005				2004
	Base Salary (1)	Other Cash Benefits (2)	Other Non-cash Benefits (3)	Total	Total
Co-Chair of the Authority	$ -	$ 27	$ -	$ 27	$ 25
Co-Chair of the Authority	$ -	$ 26	$ -	$ 26	$ 20
Board Members (13 MEMBERS)	$ -	$ 141	$ -	$ 141	$ 114
Chief Executive Officer	$ 106	$ 16	$ 29	$ 151	$ 198

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pensionable base pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime, and lump sum payments. Co-Chairs' and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Related Party Transactions • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2005

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2005	2004	2005	2004
Revenues:				
Grant from the Department of Alberta Children's Services	$ 47,223	$ 46,587	$ -	$ -
Recoveries - First Nation Reserves	3,617	3,609	-	-
Recoveries - Inter-Authority Services	84	59	-	-
Donations	-	-	-	75
	$ 50,924	$ 50,255	$ -	$ 75
Expenses:				
Inter-Authority Services Received	$ 84	$ 184	$ -	$ -
Department of Alberta Children's Services	1,175	710	-	-
Department of Restructuring and Government Efficiency	-	-	14	12
	$ 1,259	$ 894	$ 14	$ 12
Receivable from/(Payable to):				
Department of Alberta Children's Services	$ 1,777	$ 1,553	$ -	$ -
Calgary and Area Child and Family Services Authority	-	(6)	-	-
Edmonton and Area Child and Family Services Authority	16	(26)	-	-
North Central Alberta Child and Family Services Authority	(10)	-	-	-
	$ 1,782	$ 1,521	$ -	$ -

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

(IN THOUSANDS)

	Other Entities	
	2005	2004
Expenses (NOTIONAL):		
Accommodation	$ 1,822	$ 1,438
Administrative	211	457
Legal Services	28	264
	$ 2,061	$ 2,159

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Allocated Costs • SCHEDULE 4

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005						2004
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses [1]	Accommodation Costs [2]	Administration Costs [3]	Legal Services [4]	Vacation Pay [5]	Total Expenses	Total Expenses
Child Care	$ 4,020	$ 77	$ -	$ -	$ 4	$ 4,101	$ [illegible]
Early Intervention	2,953	20	-	-	1	2,974	[illegible]
Prevention of Family Violence	390			-		390	[illegible]
Parenting Resources	661		-			661	[illegible]
Fetal Alcohol Initiatives	310	-				310	298
Child Welfare Services	32,328	1,422		28	76	33,854	33,481
Resources for Children with Disabilities	6,334	135			7	6,476	[illegible]
Child Financial Support	426					426	[illegible]
Community Coordination	1,210					1,210	1,541
Program Support	2,012	168	211		9	2,400	2,251
Board Governance	263			-		263	[illegible]
Inter-Authority Services	84		-			84	[illegible]
	$ 50,991	$ 1,822	$ 211	$ 28	$ 97	$ 53,149	$ 52,205

(1) Expenses as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs, including grants in lieu of taxes, which were paid by Alberta Infrastructure and Transportation on behalf of the Child and Family Services Authority's buildings, costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Alberta Children's Services.

(4) Costs for legal services, which were paid by the Department of Justice were allocated to the Child Welfare program, since the legal services provided were in relation to proceedings under the Child, Youth and Family Enhancement Act.

(5) Valuation Adjustment as per the Statement of Operations. The Vacation Pay expense is [illegible] employees assigned to a program. Vacation pay is allocated to the program based on actual number of employees in the program.

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Financial Statements

MARCH 31, 2005

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Auditor's Report

AUDITOR
GENERAL
Alberta

To the Members of the East Central Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the East Central Alberta Child and Family Services Authority (the Authority) as at March 31, 2005 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
April 29, 2005

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Operations

FOR THE YEAR ENDED MARCH 31, 2005

	2005 (IN THOUSANDS)		2004
	Budget	Actual	Actual
Revenues			
Grant from the Department of Alberta Children's Services (NOTE 3)	$ 13,201	$ 13,788	$ 12,780
Recoveries - First Nation Reserves	375	415	385
Recoveries - Inter-Authority Services	-	-	22
Miscellaneous Revenue (NOTE 6)	-	58	85
	13,576	14,261	13,272
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well-being of children, youth and families			
Child Care	895	914	874
Early Intervention	570	766	489
Prevention of Family Violence	30	30	42
Parenting Resources	285	343	281
Fetal Alcohol Initiatives	75	-	75
Keeping children, youth and families safe and protected			
Child Welfare Services	7,536	7,985	7,591
Resources for Children with Disabilities	2,400	2,271	2,037
Child Financial Support	225	250	221
Promoting healthy communities for children, youth and families			
Community Coordination	480	547	479
Support Services			
Program Support	975	959	955
Board Governance	105	90	102
Inter-Authority Services	-	-	22
Valuation Adjustment	-	40	33
	13,576	14,195	13,201
Net Operating Results	$ -	$ 66	$ 71

The accompanying notes and schedules are part of these financial statements.

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Financial Position

AS AT MARCH 31, 2005

	(IN THOUSANDS) 2005	2004
Assets		
Cash	$ 1,505	$ 1,492
Accounts Receivable (NOTE 4)	445	302
	$ 1,950	$ 1,794
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 5)	$ 957	$ 867
Net Assets		
Net Assets at Beginning of Year	927	856
Net Operating Results	66	71
Net Assets at End of Year	993	927
	$ 1,950	$ 1,794

The accompanying notes and schedules are part of these financial statements

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS) 2005	2004
Operating Transactions:		
Net Operating Results	$ 66	$ 71
Non-Cash Item:		
Vacation Pay	40	33
	106	104
(INCREASE) Decrease in Accounts Receivable	(143)	96
Increase in Accounts Payable and Accrued Liabilities (a)	50	43
Cash Provided by Operating Transactions	13	243
Increase in Cash	13	243
Cash, Beginning of Year	1,492	1,249
Cash, End of Year	$ 1,505	$ 1,492

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Notes to the Financial Statements

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 Authority and Purpose

The East Central Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Alberta Children's Services.

The purpose of the Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Alberta Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer, all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

REPORTING ENTITY

The reporting entity is the East Central Child and Family Services Authority, which is part of the Ministry of Alberta Children's Services.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES...continued

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserve.

Expenses

DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability or, as reflected in the Government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and for employees assigned to the Authority by the Department of Alberta Children's Services, and
- the cost of salary, wages, and employee benefits related to employees assigned by the Department of Alberta Children's Services to the Authority, which are included in salary, wages, and employee benefits expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

INCURRED BY OTHERS

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash and accounts receivable approximates their fair values, due to the short-term nature of these items.

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Alberta Children's Services. The Authority is economically dependent upon the Department of Alberta Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2004-05 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 20, 2004. The Authority approved the budget of $13,576 on February 25, 2004.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable, and accounts payable and accrued liabilities recorded at $445 and $957 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the prior year and current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 Grant from the Department of Alberta Children's Services

The grant was determined as follows:

	(IN THOUSANDS)
Initial (ORIGINAL) budget	$ 13,201
Additional funding for the current year	587
Grant for the year	$ 13,788

NOTE 4 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(IN THOUSANDS) 2005	2004
Department of Alberta Children's Services	$ 436	$ 296
Refunds from Vendors	6	3
Other	3	3
	$ 445	$ 302

NOTE 5 Accounts Payable and Accrued Liabilities

The accounts payable and accrued vacation pay are comprised of the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(IN THOUSANDS) 2005	2004
Trade Payable	$ 461	$ 457
Accrued Vacation Pay and Other Manpower	422	379
Child and Family Services Authorities	68	25
Department of Alberta Children's Services	6	6
	$ 957	$ 867

NOTE 6 Miscellaneous Revenue

Miscellaneous revenue includes the following:

(IN THOUSANDS)

	2005	2004
Previous year accrual, net	$	$ 72
Other miscellaneous revenue	58	13
	$ 58	$ 85

NOTE 7 Contractual Obligations

As at March 31, 2005, the Authority has the following contractual obligations:

(IN THOUSANDS)

	2005	2004
Long-term leases (a)	$ 120	$ 77

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2010. The aggregate amounts payable for the unexpired terms of these leases are as follows:

(IN THOUSANDS)

2006	$ 51
2007	$ 36
2008	$ 24
2009	$ 8
2010	$ 1

NOTE 8 Comparative Figures

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

NOTE 9 Approval of Financial Statements

The financial statements have been approved by the Authority's Board.

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Expenses Detailed by Object • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS)		
	2005		2004
	Budget	Actual	Actual
Salaries, Wages and Employee benefits (a)	$ 3,800	$ 3,702	$ 3,376
Supplies and Services	8,026	9,400	8,857
Grants	1,750	1,053	908
Inter-Authority Services			27
Other		40	33
	$ 13,576	$ 14,195	$ 13,201

(a) This includes [illegible]

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Disclosure of Salary and Benefits • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005				2004
	Base Salary [1]	Other Cash Benefits [2]	Other Non-cash Benefits [3]	Total	Total
Co-Chair of the Authority	$ -	$ 20	$ -	$ 20	$ 28
Co-Chair of the Authority	$ -	$ 26	$ -	$ 26	$ 14
Board Members (8 MEMBERS)	$ -	$ 35	$ -	$ 35	$ 38
Chief Executive Officer	$ 90	$ 12	$ 16	$ 118	$ 126

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments. Co-Chairs and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Related Party Transactions • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2005

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties.

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2005	2004	2005	2004
Revenues:				
Grant from the Department of Alberta Children's Services	$ 13,788	$ 12,780	$ -	$ -
Recoveries - First Nation Reserves	415	385	-	-
Recoveries - Inter-Authority Services	-	22	-	-
Prior Year Revenue - Inter-Authority Services	2	2	-	-
	$ 14,205	$ 13,189	$ -	$ -
Expenses:				
Inter-Authority Services Received	$ 291	$ 331	$ -	$ -
Department of Alberta Children's Services	199	230	-	-
	$ 490	$ 561	$ -	$ -
Receivable from/(Payable to):				
Department of Alberta Children's Services	$ 430	$ 290	$ -	$ -
Edmonton and Area Child and Family Services Authority	(38)	(15)	-	-
North Central Child and Family Services Authority	(30)	(10)	-	-
	$ 362	$ 265	$ -	$ -

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

(IN THOUSANDS)

	Other Entities	
	2005	2004
Expenses (NOTIONAL):		
Accommodation	$ 486	$ 560
Administrative	51	165
Legal Services	8	25
	$ 545	$ 750

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Allocated Costs • SCHEDULE 4

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005						2004
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses [1]	Accommodation Costs [2]	Administration Costs [3]	Legal Services [4]	Vacation Pay [5]	Total Expenses	Total Expenses
Child Care	$ 914	$ 10	$ -	$ -	$ 1	$ 925	$ 874
Early Intervention	766	17	-	-	1	784	489
Prevention of Family Violence	30	-	-	-	-	30	42
Parenting Resources	343	-	-	-	-	343	281
Fetal Alcohol Initiatives	-	-	-	-	-	-	75
Child Welfare Services	7,985	327	-	8	27	8,347	8,050
Resources for Children with Disabilities	2,271	50	-	-	4	2,325	2,090
Child Financial Support	250	9	-	-	1	260	221
Community Coordination	547	-	-	-	-	547	479
Program Support	959	73	51	-	6	1,089	1,226
Board Governance	90	-	-	-	-	90	102
Inter-Authority Services	-	-	-	-	-	-	22
	$ 14,155	$ 486	$ 51	$ 8	$ 40	$ 14,740	$ 13,951

(1) Expenses as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure and Transportation, represent the Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Alberta Children's Services.

(4) Costs for legal services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act.*

(5) Valuation Adjustment as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program. Vacation pay is allocated to the program based on actual number of employees in the program.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY

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EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Auditor's Report

AUDITOR GENERAL
Alberta

To the Members of the Edmonton and Area Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Edmonton and Area Child and Family Services Authority (the Authority) as at March 31, 2005 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 20, 2005

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Operations

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005		2004
	Budget	Actual	Actual
Revenues			
Grant from the Department of Alberta Children's Services (NOTE 3)	$ 211,181	$ 219,423	$ 208,326
Recoveries - First Nation Reserves	5,100	5,086	5,136
Recoveries - Inter-Authority Services	900	547	836
Miscellaneous Revenue (NOTE 7)	2,330	2,887	2,721
	219,511	227,943	217,019
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well-being of children, youth and families			
Child Care	23,230	24,595	23,457
Early Intervention	9,305	9,102	9,091
Prevention of Family Violence	350	353	383
Parenting Resources	1,850	1,843	1,646
Fetal Alcohol Initiatives	830	1,292	1,108
Keeping children, youth and families safe and protected			
Child Welfare Services	152,031	157,696	154,646
Resources for Children with Disabilities	23,630	22,992	21,366
Child Financial Support	1,410	1,296	1,326
Promoting healthy communities for children, youth and families			
Community Coordination	2,500	1,566	2,443
Support Services			
Program Support	3,325	3,797	3,337
Board Governance	150	117	104
Inter-Authority Services	900	547	836
Valuation Adjustment			
Vacation Pay (NOTE 2)	-	497	236
Amortization	-	12	13
	219,511	225,705	219,992
Net Operating Results	$ -	$ 2,238	$ (2,973)

The accompanying notes and schedules are part of these financial statements.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Financial Position

AS AT MARCH 31, 2005

	(IN THOUSANDS)	
	2005	2004
Assets		
Cash	$ 10,584	$ 8,950
Accounts Receivable (NOTE 4)	8,044	7,048
Advances	18	7
Tangible Capital Assets (NOTE 5)	18	30
	$ 18,664	$ 16,035
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 6)	$ 16,121	$ 15,730
NET ASSETS (LIABILITIES)		
Net Assets at Beginning of Year	305	3,278
Net Operating Results	2,238	(2,973)
Net Assets at End of Year	2,543	305
	$ 18,664	$ 16,035

The accompanying notes and schedules are part of these financial statements.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS) 2005	2004
Operating Transactions:		
Net Operating Results	$ 2,238	$ (2,973)
Non-Cash Item:		
Amortization of Capital Assets	12	13
Vacation Pay	497	236
	2,747	(2,724)
Increase in Accounts Receivable	(996)	(672)
Increase in Advances	(11)	
Increase (DECREASE) in Accounts Payable and Accrued Liabilities (a)	(106)	2,034
Cash Applied to Operating Transactions	1,634	(1,362)
Increase (DECREASE) in Cash	1,634	(1,362)
Cash, Beginning of Year	8,950	10,312
Cash, End of Year	$ 10,584	$ 8,950

(a) Adjusted for valuation adjustment

The accompanying notes and schedules are part of these financial statements.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Notes to the Financial Statements

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 Authority and Purpose

The Edmonton and Area Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Alberta Children's Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Alberta Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

REPORTING ENTITY

The reporting entity is the Edmonton and Area Child and Family Services Authority, which is part of the Ministry of Alberta Children's Services.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES...continued

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements (Note 10) that are restricted are recognized in the year when the related expenses are incurred.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- amortization of tangible capital assets
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Alberta Children's Services.
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Alberta Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

INCURRED BY OTHERS

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivable, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include one vehicle. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $5,000 (2004 - $15,000).

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Alberta Children's Services. The Authority is economically dependent upon the Department of Alberta Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2004-05 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 24, 2004. The Authority approved the budget of $219,511 on April 29, 2004.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as $8,044 and $16,121 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 Grant from the Department of Alberta Children's Services

The grant was determined as follows:

	(IN THOUSANDS)
Initial (ORIGINAL) budget	$ 211,181
Additional funding for the current year	8,242
Grant for the year	$ 219,423

NOTE 4 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(IN THOUSANDS)	
	2005	2004
Department of Alberta Children's Services	$ 7,096	$ 6,392
Current Year Expenditure Refund Receivable	312	-
Student Health Initiative	254	144
Other	250	300
Child and Family Services Authorities	87	96
Alberta Human Resources and Employment	30	53
Persons with Developmental Disabilities	15	63
	$ 8,044	$ 7,048

NOTE 5 Tangible Capital Assets

(IN THOUSANDS)

	2005				2004
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicle	5 years	$ 64	$ 46	$ 18	$ 31

NOTE 6 Accounts Payable and Accrued Liabilities

The accounts payable are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

(IN THOUSANDS)

	2005	2004
Trade Payable	$ 8,354	$ 9,385
Accrued Vacation Pay and Manpower Expenses	6,713	6,253
Department of Alberta Children's Services	933	32
Child and Family Services Authorities	105	60
Persons with Developmental Disabilities	16	-
	$ 16,121	$ 15,730

NOTE 7 Miscellaneous Revenue

Miscellaneous revenue includes the following:

(IN THOUSANDS)

	2005	2004
Recoveries of costs incurred under an agreement (NOTE 10)	$ 1,499	$ 1,930
Previous year refund of expenditures	1,069	201
Other miscellaneous revenue	319	582
Donations	-	8
	$ 2,887	$ 2,721

NOTE 8 Contractual Obligations

As at March 31, 2005, the Authority has the following contractual obligations:

	(IN THOUSANDS)	
	2005	2004
Long-term leases[a]	$ 129	$ 120

[a] The Authority leases certain equipment under operating leases that expire on various dates to 2009. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(IN THOUSANDS)
2006	$ 63
2007	$ 48
2008	$ 14
2009	$ 4

NOTE 9 Contingent Liabilities (IN THOUSANDS)

At March 31, 2005, the Authority is involved in three claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2004 – three legal claims). The three claims have specified amounts totaling $116,620 (2004 – three claims with a specified amount of $116,620).

Included in the total legal claims is one claim amounting to $113,600 in which the Authority has been jointly named with other entities. The three claims amounting to $116,620 are covered by the Alberta Risk Management and Insurance Fund.

The resulting loss, if any, from these claims cannot be determined.

NOTE 10 Third Party Agreements (in thousands)

The Student Health Initiative is an initiative of Alberta Education, Alberta Health and Wellness and the Authority to deliver integrated health and related support services for children with special health needs registered in school programs. The initiative commenced June 2000. All costs incurred under this agreement are covered by reimbursement from Edmonton Catholic Schools.

The revenues and expenses of $1,379 (2004 - $1,452) and the resulting accounts receivable of $254 (2004 - $144) are included in the financial statements.

A shared service agreement exists between the Authority and Alberta Human Resources and Employment. The agreement stipulates that Alberta Human Resources and Employment will reimburse the Authority for an annual amount not to exceed $120.

The revenues and expenses of $120 and the resulting accounts receivable of $30 are included in the financial statements.

NOTE 11 Comparative Figures

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

NOTE 12 Approval of Financial Statements

The financial statements have been approved by the Authority's Board.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Expenses Detailed by Object • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS) 2005 Budget	2005 Actual	2004 Actual
Salaries, Wages and Employee Benefits[a]	$ 52,783	$ 55,415	$ 52,008
Supplies and Services	144,326	146,740	145,714
Grants	21,502	22,494	21,585
Amortization of Capital Assets		12	11
Inter-Authority Services	900	547	438
Other		497	236
	$ 219,511	$ 225,705	$ 219,992

[a] [illegible] management and [illegible] staff.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Disclosure of Salary and Benefits • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005								2004	
		Base Salary[1]		Other Cash Benefits[2]		Other Non-cash Benefits[3]		Total		Total
Co-Chair of the Authority	$		$	18	$		$	18	$	14
Co-Chair of the Authority	$	-	$	9	$	-	$	9	$	6
Board Members (11 MEMBERS)	$	-	$	66	$	-	$	66	$	59
Chief Executive Officer	$	132	$	17	$	26	$	175	$	140

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pensionable pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime, and lump sum payments. Co-chairs and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Related Party Transactions • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2005

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2005	2004	2005	2004
Revenues:				
Grant from the Department of Alberta Children's Services	$ 219,423	$ 208,326	$	$
Recoveries - First Nation Reserves	5,086	5,136		
Recoveries - Inter-Authority Services	547	836		
Prior-Year Revenue - Inter-Authority Services		71		
Prior-Year Revenue - First Nation Reserves	61			-
Miscellaneous Revenue:				
Alberta Human Resources and Employment	-		120	478
Persons with Developmental Disabilities			135	63
	$ 225,117	$ 214,369	$ 255	$ 541
Expenses:				
Inter-Authority Services Received	$ 183	$ 115	$	$ -
Department of Alberta Children's Services	2,402	2,523	-	
Department of Restructuring and Government Efficiency			70	65
Persons with Developmental Disabilities	-		16	-
	$ 2,585	$ 2,638	$ 86	$ 65
Receivable from/(Payable to):				
Department of Alberta Children's Services	$ 6,163	$ 6,360	$	$
Calgary and Area Child and Family Services Authority	9	9		
Central Alberta Child and Family Services Authority	(8)	26		
East Central Alberta Child and Family Services Authority	38	15		
North Central Alberta Child and Family Services Authority	25	(22)		
Northwest Alberta Child and Family Services Authority		5		
Northeast Alberta Child and Family Services Authority		3		
Metis Settlements Child And Family Services Authority	(82)			
Alberta Human Resources and Employment		-	30	53
Alberta Education		-		2
Persons with Developmental Disabilities		-	(1)	63
	$ 6,145	$ 6,396	$ 29	$ 118

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Related Party Transactions • SCHEDULE 3 (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2005

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

(IN THOUSANDS)

	Other Entities	
	2005	2004
Expenses (NOTIONAL):		
Accommodation	$ 5,996	$ 5,553
Administrative	400	539
Legal Services	1,127	1,375
	$ 7,523	$ 7,467

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY

Allocated Costs • SCHEDULE 4

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005						2004
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses (1)	Accommodation Costs (2)	Administration Costs (3)	Legal Services (4)	Vacation Pay (5)	Total Expenses	Total Expenses
Child Care	$ 24,595	$ 303	$ -	$ -	$ 25	$ 24,923	$ 23,771
Early Intervention	9,102	18	-	-	1	9,121	9,114
Prevention of Family Violence	353	4	-	-	-	357	383
Parenting Resources	1,843	-	-	-	-	1,843	1,646
Fetal Alcohol Initiatives	1,292	-	-	-	-	1,292	1,108
Child Welfare Services	157,696	4,987	-	1,127	413	164,223	160,868
Resources for Children with Disabilities	22,992	431	-	-	36	23,459	21,748
Child Financial Support	1,296	7	-	-	1	1,304	1,340
Community Coordination	1,566	139	-	-	12	1,717	2,443
Program Support	3,797	107	400	-	9	4,313	4,085
Board Governance	117	-	-	-	-	117	104
Inter-Authority Services	547	-	-	-	-	547	836
Amortization	12	-	-	-	-	12	13
	$ 225,208	$ 5,996	$ 400	$ 1,127	$ 497	$ 233,228	$ 227,459

(1) Expenses as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure and Transportation, represent the Edmonton and Area Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Alberta Children's Services.

(4) Costs for legal services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child, Youth and Family Enhancement Act*.

(5) Valuation Adjustment as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program. Vacation pay is allocated by the number of employees per program.

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Financial Statements

MARCH 31, 2005

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Auditor's Report

AUDITOR
GENERAL
Alberta

To the Members of the North Central Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the North Central Alberta Child and Family Services Authority (the Authority) as at March 31, 2005 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 13, 2005

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Operations

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005		2004
	Budget	Actual	Actual
Revenues			
Grant from the Department of Alberta Children's Services (NOTE 3)	$ 31,659	$ 36,767	$ 30,577
Recoveries - First Nation Reserves	525	883	802
Recoveries - Inter-Authority Services	550	388	626
Miscellaneous Revenue (NOTE 7)	-	117	181
	32,734	38,155	32,186
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well-being of children, youth and families			
Child Care	2,500	2,662	2,091
Early Intervention	1,435	1,022	1,023
Prevention of Family Violence			29
Parenting Resources	650	544	568
Fetal Alcohol Initiatives	180	163	117
Keeping children, youth and families safe and protected			
Child Welfare Services	22,689	27,201	21,502
Resources for Children with Disabilities	2,765	3,584	2,686
Child Financial Support	330	378	351
Promoting healthy communities for children, youth and families			
Community Coordination	120	134	139
Support Services			
Program Support	1,315	1,509	[illegible]
Board Governance	200	216	181
Inter-Authority Services	550	388	626
Valuation Adjustments			
Vacation Pay		159	(94)
Amortization		12	[illegible]
	32,734	37,972	31,386
Net Operating Results	$ -	$ 183	$ 800

The accompanying notes and schedules are part of these financial statements.

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Financial Position

AS AT MARCH 31, 2005

	(IN THOUSANDS)	
	2005	2004
Assets		
Cash	$ 5,872	$ 3,718
Accounts Receivable (NOTE 4)	1,297	1,937
Tangible Capital Assets (NOTE 5)	44	51
	$ 7,213	$ 5,706
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 6)	$ 3,896	$ 2,572
Net Assets		
Net Assets at Beginning of Year	3,134	2,334
Net Operating Results	183	800
Net Assets at End of Year	3,317	3,134
	$ 7,213	$ 5,706

The accompanying notes and schedules are part of these financial statements.

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS) 2005	2004
Operating Transactions:		
Net Operating Results	$ 183	$ 800
Non-Cash Items:		
Amortization of Tangible Capital Assets	12	7
Vacation Pay	159	(14)
	354	793
Decrease (INCREASE) in Accounts Receivable	640	(286)
Decrease in Advances	-	1
Decrease in Prepaid Expenses	-	45
Increase in Accounts Payable and Accrued Liabilities (a)	1,165	182
Cash Provided by Operating Transactions	2,159	735
Investing Transactions:		
Purchases of Tangible Capital Assets	(5)	(22)
Cash Used by Investing Transactions	(5)	(22)
Increase in Cash	2,154	713
Cash, Beginning of Year	3,718	3,005
Cash, End of Year	$ 5,872	$ 3,718

(a) Adjusted for vacation pay

The accompanying notes and schedules are part of these financial statements.

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Notes to the Financial Statements

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 Authority and Purpose

The North Central Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Alberta Children's Services.

The purpose of the Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Alberta Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer, all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

REPORTING ENTITY

The reporting entity is the North Central Alberta Child and Family Services Authority, which is part of the Ministry of Alberta Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Monetary donations from external sources are recorded as revenue when received.

Expenses

DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget.

Directly incurred costs include:

- amortization of tangible capital assets,
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for employees assigned to the Authority by the Department of Alberta Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Alberta Children's Services to the Authority, which are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

INCURRED BY OTHERS

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES...continued

Assets

The carrying values of cash and accounts receivable approximate their fair values, due to the short-term nature of these items.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include vehicles, office equipment, furniture, and computer equipment. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000 (2004 - $15,000).

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair value, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Alberta Children's Services. The Authority is economically dependent upon the Department of Alberta Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2004-05 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 24, 2004. The Authority approved the budget of $32,734 on March 18, 2004.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accounts receivable and accounts payable and accrued liabilities, recorded at $1,297 and $3,896 respectively in these financial statements, are subject to measurement uncertainty. The receivables and liabilities are based on estimates, calculated using a linear analysis of the prior year and current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 Grant from the Department of Alberta Children's Services

The grant was determined as follows:

	(IN THOUSANDS)
Initial (ORIGINAL) budget	$ 31,659
Net additional funding for the current year	5,108
Grant for the year	$ 36,767

NOTE 4 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(IN THOUSANDS) 2005	2004
Department of Alberta Children's Services	$ 1,111	$ 1,694
Other	76	67
Refunds from Suppliers	55	92
Child and Family Services Authorities	55	84
	$ 1,297	$ 1,937

NOTE 5 Tangible Capital Assets

	(IN THOUSANDS) 2005				2004
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	5 years	$ 63	$ 19	$ 44	$ 51

NOTE 6 Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(IN THOUSANDS) 2005	2004
Trade Payable	$ 2,279	$ 1,897
Accrued Vacation Pay and Manpower	1,085	637
Department of Alberta Children's Services	508	7
Child and Family Services Authorities	24	31
	$ 3,896	$ 2,572

NOTE 7 Miscellaneous Revenue

Miscellaneous revenue includes the following:

	(IN THOUSANDS) 2005	2004
Other Miscellaneous Revenue	$	$ 125
Refund of Expenses from Prior Year	117	56
	$ 117	$ 181

NOTE 8 Contractual Obligations

As at March 31, 2005, the Authority has the following contractual obligations:

	(IN THOUSANDS) 2005	2004
Service Contracts	$ 504	$ 2,166
Long-term Leases	371	303
	$ 875	$ 2,469

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2009. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(IN THOUSANDS)
2006	$ 187
2007	$ 111
2008	$ 60
2009	$ 13

NOTE 9 Comparative Figures

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

NOTE 10 Approval of Financial Statements

The financial statements have been approved by the Authority's Board.

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Expenses Detailed by Object • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005		2004
	Budget	Actual	Actual
Salaries, Wages and Employee benefits [a]	$ 9,692	$ 9,755	$ 8,757
Supplies and Services	20,702	25,230	19,694
Grants	2,340	2,428	2,316
Amortization of Tangible Capital Assets	-	12	7
Inter-Authority Services	-	388	626
Other	-	159	(14)
	$ 32,734	$ 37,972	$ 31,386

(a) This includes $31 (2004 - $49) in achievement bonuses for management and non-union staff.

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Disclosure of Salary and Benefits • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005								2004	
		Base Salary[1]		Other Cash Benefits[2]		Other Non-cash Benefits[3]		Total		Total
Co-Chair of the Authority	$	-	$	20	$	-	$	20	$	13
Co-Chair of the Authority	$	-	$	21	$		$	21	$	17
Board Members (12 MEMBERS)	$	-	$	90	$	-	$	90	$	90
Chief Executive Officer[5]	$	70	$	-	$	8	$	78	$	160

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pensionable pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments. Co-chairs and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

(4) Automobile provided to the CEO, no dollar amount included in other non-cash benefits.

(5) Interim CEO salary of $90,000 paid by the Department of Alberta Children's Services not included in total.

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Related Party Transactions • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2005

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2005	2004	2005	2004
Revenues:				
Grant from the Department of Alberta Children's Services	$ 36,767	$ 30,577	$ -	$ -
Recoveries - First Nation Reserves	883	802	-	-
Recoveries - Inter-Authority Services	388	626	-	-
	$ 38,038	$ 32,005	$ -	$ -
Expenses:				
Inter-Authority Services Received	$ 252	$ 393	$ -	$ -
Department of Alberta Children's Services	970	569	-	-
	$ 1,222	$ 962	$ -	$ -
Receivable from/(Payable to):				
Department of Alberta Children's Services	$ 593	$ 1,685	$ -	$ -
Central Alberta Child and Family Services Authority	11	-	-	-
East Central Child and Family Services Authority	30	10	-	-
Edmonton & Area Child and Family Services Authority	(25)	23	-	-
Northwest Child and Family Services Authority	-	10	-	-
Northeast Child and Family Services Authority	16	10	-	-
	$ 625	$ 1,738	$ -	$ -

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

(IN THOUSANDS)

	Other Entities	
	2005	2004
Expenses (NOTIONAL):		
Accommodation	$ 1,055	$ 1,365
Administrative	221	347
Legal Services	72	63
	$ 1,348	$ 1,775

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Allocated Costs • SCHEDULE 4

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005						2004
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses [1]	Accommodation Costs [2]	Administration Costs [3]	Legal Services [4]	Vacation Pay [5]	Total Expenses	Total Expenses
Child Care	$ 2,662	$ 48	$ -	$ -	$ 7	$ 2,717	$ 2,564
Early Intervention	1,022	-	-	-	-	1,022	1,523
Prevention of Family Violence	-	-	-	-	-		23
Parenting Resources	544	-	-	-	-	544	563
Fetal Alcohol Initiatives	163	-	-	-	-	163	117
Child Welfare Services	27,201	886	-	72	134	28,293	22,739
Resources for Children with Disabilities	3,584	62	-	-	9	3,655	2,718
Child Financial Support	378	-	-	-	-	378	311
Community Coordination	134	-	-	-	-	134	110
Program Support	1,509	59	221	-	9	1,798	1,679
Board Governance	216	-	-	-	-	216	181
Inter-Authority Services	388	-	-	-	-	388	626
Amortization	12	-	-	-	-	12	7
	$ 37,813	$ 1,055	$ 221	$ 72	$ 159	$ 39,320	$ 33,161

(1) Expenses as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure and Transportation, represent the Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Alberta Children's Services.

(4) Costs for legal services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

(5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program. Vacation pay is allocated to the program based on actual number of employees in the program.

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

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MARCH 31, 2005

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Auditor's Report

AUDITOR
GENERAL
Alberta

To the Members of the Northwest Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Northwest Alberta Child and Family Services Authority (the Authority) as at March 31, 2005 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
May 18, 2005

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Operations

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS) 2005 Budget	2005 Actual	2004 Actual
Revenues			
Grant from the Department of Alberta Children's Services (NOTE 3)	$ 25,739	$ 26,624	$ 25,555
Recoveries - First Nation Reserves	250	1,061	1,163
Recoveries - Inter-Authority Services	165	127	71
Miscellaneous Revenue (NOTE 7)	360	6	200
	26,514	27,818	26,989
Expenses (SCHEDULES 1 AND 4)			
Promoting the development and well- being of children, youth and families			
Child Care	2,245	2,070	2,145
Early Intervention	1,790	1,972	1,691
Prevention of Family Violence	-		15
Parenting Resources	280	382	396
Fetal Alcohol Initiatives	175	93	77
Keeping children, youth and families safe and protected			
Child Welfare Services	15,559	17,171	17,775
Resources for Children with Disabilities	3,035	2,526	2,176
Child Financial Support	195	270	234
Promoting healthy communities for children, youth and families			
Community Coordination	1,040	549	496
Support Services			
Program Support	1,705	2,279	1,723
Board Governance	325	183	182
Inter-Authority Services	165	127	71
Valuation Adjustment			
Vacation Pay (NOTE 2)	-	83	35
	26,514	27,705	27,016
Net Operating Results	$ -	$ 113	$ (27)

The accompanying notes and schedules are part of these financial statements.

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Financial Position

AS AT MARCH 31, 2005

	(IN THOUSANDS)	
	2005	2004
Assets		
Cash	$ 1,513	$ 1,689
Accounts Receivable (NOTE 4)	1,046	822
Advances	-	1
Tangible Capital Assets (NOTE 5)	122	-
	$ 2,681	$ 2,512
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 6)	$ 1,820	$ 1,764
Net Assets		
Net Assets at Beginning of Year	748	775
Net Operating Results	113	(27)
Net Assets at End of Year	861	748
	$ 2,681	$ 2,512

The accompanying notes and schedules are part of these financial statements.

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS) 2005	 2004
Operating Transactions:		
Net Operating Results	$ 116	$ (27)
Non-Cash Items:		
Vacation Pay	(10)	35
	106	8
Decrease (Increase) in Accounts Receivable	(134)	154
Decrease in Advances	1	2
Increase in Accounts Payable and Accrued Liabilities (a)	(27)	(286)
Cash Applied to Operating Transactions	(54)	(122)
Investing Transactions:		
Purchases of Capital Assets	(122)	
Cash Used by Investing Transactions	(122)	
Decrease in Cash	(176)	(122)
Cash, Beginning of Year	1,689	1,811
Cash, End of Year	$ 1,513	$ 1,689

(a) Adjusted for vacation pay

The accompanying notes and schedules are part of these financial statements.

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Notes to the Financial Statements

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 Authority and Purpose

The Northwest Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Alberta Children's Services.

The purpose of the Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Alberta Children's Services has assigned certain departmental staff to the Authority. All individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

REPORTING ENTITY

The reporting entity is the Northwest Alberta Child and Family Services Authority, which is part of the Ministry of Alberta Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- amortization of tangible capital assets,
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and for employees assigned to the Authority by the Department of Alberta Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Alberta Children's Services to the Authority, which are included in salary, wages and employee benefits expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

INCURRED BY OTHERS

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivable, and advances approximates their fair values, due to the short-term nature of these items.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Capital assets include vehicles, office equipment, furniture, and computer equipment. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000 (2004-$15,000). Only major enhancements of existing systems of $25,000 and over are capitalized.

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Alberta Children's Services. The Authority is economically dependent upon the Department of Alberta Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2004-05 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 24, 2004. The Authority approved the budget of $26,514 on April 21, 2004.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivables, and accounts payable and accrued liabilities recorded at $1,046 and $1,820 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the prior year and current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 Grant from the Department of Alberta Children's Services

The grant was determined as follows:

	(IN THOUSANDS)
Initial (ORIGINAL) budget	$ 25,739
Additional funding for the current year	885
Grant for the year	$ 26,624

NOTE 4 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

(IN THOUSANDS)

	2005	2004
Department of Alberta Children's Services	$ 971	$ 768
Other	58	45
Child and Family Services Authorities	17	9
	$ 1,046	$ 822

NOTE 5 Tangible Capital Assets

(IN THOUSANDS)

	2005				2004
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Systems Development	5 years	$ 122	$ 0	$ 122	$ 0

NOTE 6 Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(IN THOUSANDS)	
	2005	2004
Trade Payable	$ 1,110	$ 1,139
Accrued Vacation Pay	689	606
Child and Family Services Authorities		15
Department of Alberta Children's Services	21	4
	$ 1,820	$ 1,764

NOTE 7 Miscellaneous Revenue

Miscellaneous revenue includes the following:

	(IN THOUSANDS)	
	2005	2004
Previous year over accrual	$ 4	$ 184
Other miscellaneous revenue	2	16
	$ 6	$ 200

NOTE 8 Contractual Obligations

As at March 31, 2005, the Authority has the following contractual obligations:

	(IN THOUSANDS)	
	2005	2004
Service Contracts	$ 453	$ 3,553
Long-term leases (a)	488	445
	$ 941	$ 3,998

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2009. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(IN THOUSANDS)
2006	$ 171
2007	$ 158
2008	$ 101
2009	$ 58

NOTE 9 Comparative Figures

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

NOTE 10 Approval of Financial Statements

The financial statements have been approved by the Authority's Board.

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Expenses Detailed by Object • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS)		
	2005		2004
	Budget	Actual	Actual
Salaries, Wages and Employee benefits [a]	$ 7,389	$ 9,832	$ 9,010
Supplies and Services	16,708	15,676	15,855
Grants	2,252	1,986	2,044
Inter-Authority Services	165	127	71
Other		84	36
	$ 26,514	$ 27,705	$ 27,016

(a) This includes $61 (2004 - $61) in achievement bonuses for management and non-union staff

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Disclosure of Salary and Benefits • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005				2004
	Base Salary (1)	Other Cash Benefits (2)	Other Non-cash Benefits (3)	Total	Total
Co-Chair of the Authority	$ –	$ 14	$	$ 14	$ 17
Co-Chair of the Authority	$	$ 13	$ –	$ 13	$ 13
Board Members (13 members)	$ –	$ 100	$ –	$ 100	$ 96
Chief Executive Officer	$ 107	$ 25	$ 31	$ 163	$ 134

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pensionable pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments. Co-chairs and board members receive honorariums.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Related Party Transactions • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2005

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are recorded on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2005	2004	2005	2004
Revenues:				
Grant from the Department of Alberta Children's Services	$ 26,624	$ 25,555	$ -	$ -
Recoveries - First Nation Reserves	1,061	509	-	-
Recoveries - Inter-Authority Services	127	71	-	-
Prior Year Revenue - Inter-Authority Services	-	104	-	-
Prior Year Revenue - First Nation Reserves	2	-	-	-
Other Ministries - Pchip	-	-	2	-
	$ 27,814	$ 26,239	$ 2	$ -
Expenses:				
Department of Alberta Children's Services	$ 605	$ 417	$ -	$ -
Inter-Authority Services Received	111	190	-	-
Department of Restructuring and Government Efficiency	16	11	-	-
	$ 732	$ 618	$ -	$ -
Receivable from/(Payable to):				
Department of Alberta Children's Services	$ 950	$ 670	$ -	$ -
Calgary and Area Child and Family Services Authority	1	-	-	-
Edmonton and Area Child and Family Services Authority	-	(5)	-	-
North Central Alberta Child and Family Services Authority	-	(10)	-	-
Metis Settlements Child and Family Services Authority	16	9	-	-
	$ 967	$ 664	$ -	$ -

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

(IN THOUSANDS)

	Other Entities	
	2005	2004
Expenses (NOTIONAL):		
Accommodation	$ 1,311	$ 1,529
Administrative	280	502
Legal Services	7	9
	$ 1,598	$ 2,040

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Allocated Costs • SCHEDULE 4

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005						2004
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses [1]	Accommodation Costs [2]	Administration Costs [3]	Legal Services [4]	Vacation Pay [5]	Total Expenses	Total Expenses
Child Care	$ 2,070	$ 45	$	$ -	$ 3	$ 2,118	$ 2,179
Early Intervention	1,972	-	-	-		1,972	1,691
Prevention of Family Violence	-	-	-	-	-	-	15
Parenting Resources	382	-	-	-	-	382	396
Fetal Alcohol Initiatives	93	-	-	-	-	93	77
Child Welfare Services	17,171	974	-	7	62	18,214	18,983
Resources for Children with Disabilities	2,526	70	-	-	4	2,600	2,256
Child Financial Support	270	-	-			270	234
Community Coordination	549	-		-		549	496
Program Support	2,279	222	280		14	2,795	2,476
Board Governance	183	-			-	183	182
Inter-Authority Services	127	-		-		127	71
	$ 27,622	$ 1,311	$ 280	$ 7	$ 83	$ 29,303	$ 29,056

(1) Expenses as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure and Transportation, represent the Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Alberta Children's Services.

(4) Costs for legal services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

(5) Valuation Adjustment as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program. Vacation pay is allocated to the program based on actual number of employees in the program.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

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MARCH 31, 2005

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Auditor's Report

To the Members of the Northeast Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Northeast Alberta Child and Family Services Authority (the Authority) as at March 31, 2005 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
May 13, 2005

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Operations

FOR THE YEAR ENDED MARCH 31, 2005

	2005		2004
	Budget	Actual	Actual
Revenues			
Grant from the Department of Alberta Children's Services (NOTE 3)	$ 8,698	$ [illegible]	$ 8,391
Recoveries - Third Party Reimbursements	200	18	111
Recoveries - Inter-Authority Services		2	
Miscellaneous (Previous Year Refunds)	430	294	146
	9,328	9,331	8,648
Expenses - Directly Incurred			
Promoting the development and well-being of children, youth and families			
Child Care	280	290	311
Early Intervention	540	424	459
Parenting Resources	100	164	196
Fetal Alcohol Initiatives	75	53	71
Keeping children, youth and families safe and protected			
Child Welfare Services	6,478	5,734	5,867
Resources for Children with Disabilities	1,075	858	1,081
Child Financial Support	80	18	11
Promoting healthy communities for children, youth and families			
Community Coordination	500	480	354
Support Services			
Program Support	407	[illegible]	4[illegible]
Board Governance	80	80	25
Inter-Authority Services		–	
Valuation Adjustment			
Vacation Pay		16	24
	9,328	8,542	8,033
Net Operating Results	$ –	$ 789	$ 615

The accompanying notes are part of these financial statements.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Financial Position

AS AT MARCH 31, 2005

	(IN THOUSANDS)	
	2005	2004
Assets		
Cash	$ 1,254	$ 318
Accounts Receivable (NOTE 4)	303	341
	$ 1,557	$ 659
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 5)	$ 617	$ 508
Net Assets		
Net Assets (LIABILITIES) at Beginning of Year	151	(464)
Net Operating Results	789	615
Net Assets at End of Year	940	151
	$ 1,557	$ 659

The accompanying notes and schedules are part of these financial statements.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS) 2005	 2004
Operating Transactions:		
Net Operating Results	$ 789	$ 615
Non-Cash Items:		
Vacation Pay	(9)	(24)
	780	591
Decrease in Accounts Receivable	38	50
Increase (Decrease) in Accounts Payable and Accrued Liabilities (a)	118	(403)
Cash Provided by Operating Transactions	936	238
Increase in Cash	936	238
Cash, Beginning of Year	318	80
Cash, End of Year	$ 1,254	$ 318

(a) Adjusted for Vacation Pay

The accompanying notes and schedules are part of these financial statements.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Notes to the Financial Statements

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 Authority and Purpose

The Northeast Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Alberta Children's Services.

The purpose of the Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Alberta Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer, all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

REPORTING ENTITY

The reporting entity is the Northeast Alberta Child and Family Services Authority, which is part of the Ministry of Alberta Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements (Note 8) that are restricted, are recognized in the year when the related expenses are incurred.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and for employees assigned to the Authority by the Department of Alberta Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Alberta Children's Services to the Authority, which are included in salary, wages and employee benefits expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

INCURRED BY OTHERS

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets
The carrying value of cash, accounts receivable, and advances approximates their fair values, due to the short-term nature of these items.

Liabilities
The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)
The Authority receives its financing by way of a grant from the Department of Alberta Children's Services. The Authority is economically dependent upon the Department of Alberta Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2004-05 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 24, 2004. The Authority approved the budget of $9,723 on March 15, 2004.

Measurement Uncertainty (In thousands)
Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accounts receivable and accounts payable and accrued liabilities, recorded at $303 and $617 respectively in these financial statements, are subject to measurement uncertainty. The receivables and liabilities are based on estimates, calculated using an analysis of the prior year and current year expenditure trends, vendor-based information of prior billing periods, and management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 Grant from the Department of Alberta Children's Services

The grant was determined as follows:

	(IN THOUSANDS)
Initial (ORIGINAL) budget	$ 9,098
Additional funding for the current year	127
Grant for the year	$ 9,225

NOTE 4 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(IN THOUSANDS)	
	2005	2004
Department of Alberta Children's Services	$ 220	$ 190
Other	83	151
	$ 303	$ 341

NOTE 5 Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(IN THOUSANDS)	
	2005	2004
Trade Payable	$ 469	$ 354
Accrued Vacation Pay	131	141
Department of Alberta Children's Services	1	-
Child and Family Services Authorities	16	13
	$ 617	$ 508

NOTE 6 Miscellaneous Revenue

Miscellaneous revenue includes the following:

	IN THOUSANDS	
	2005	2004
Recoveries of costs incurred under an agreement (NOTE 8)	$ 288	$ 388
Other miscellaneous revenue	-	177
Previous year refund of expenditures	6	30
	$ 294	$ 595

NOTE 7 Contractual Obligations

As at March 31, 2005, the Authority has the following contractual obligations:

	IN THOUSANDS	
	2005	2004
Long-term leases (a)	$ 66	$ 45

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2010. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	IN THOUSANDS
2006	$ 27
2007	$ 13
2008	$ 12
2009	$ 12
2010	$ 2

NOTE 8 Third Party Agreement (IN THOUSANDS)

In partnership with Alberta Education and Alberta Health and Wellness, the Authority has entered into an agreement to deliver student health services in the Fort McMurray, Alberta area to children with emotional and behavioral issues. The partnership, funded by Alberta Learning, covers all costs incurred under this agreement. The Fort McMurray School District #2833 is the designated "banker" for distribution of the funds. Funding is based on cost recovery, therefore no surplus exists. The revenues and expenses of $288 (2004 - $388), and the resulting account receivable of $73 (2004 - $116), are included in the financial statements.

NOTE 9 Comparative Figures

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

NOTE 10 Approval of Financial Statements

The financial statements have been approved by the Authority's Board.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Expenses Detailed by Object • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2005

IN THOUSANDS

	2005		2004
	Budget	Actual	Actual
Salaries, Wages and Employee benefits (a)	$ 2,452	$ 2,411	$ 2,510
Supplies and Services	6,996	6,068	7,129
Grants	275	330	346
Inter-Authority Services	-	2	-
Other	-	(9)	(24)
	$ 9,723	$ 8,802	$ 9,961
Less: Recovery from Alberta Health and Wellness	-	-	(958)
	$ 9,723	$ 8,802	$ 9,003

(a) This includes $21 (2004 - $34) in achievement bonuses for management and non-union staff.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Disclosure of Salary and Benefits • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005				2004
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Co-Chair of the Authority	$ -	$ 10	$ -	$ 10	$ 8
Co-Chair of the Authority	$ -	$ 11	$ -	$ 11	$ 2
Board Members (3 members)	$ -	$ [illegible]	$ -	$ [illegible]	$ 13
Chief Executive Officer[4]	$ 41	$ 63	$ 12	$ 116	$ 147

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular base pay.

(2) [illegible] honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, [illegible] memberships and tuition fees.

(4) Automobile provided to the CEO, no dollar amount included in other non-cash benefits. [illegible] from November 1, 2004 to March 6, 2005.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Related Party Transactions • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2005

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties.

IN THOUSANDS

	Entities in the Ministry		Other Entities	
	2005	2004	2005	2004
Revenues:				
Grant from the Department of Alberta Children's Services	$ 9,225	$ 8,910	$	$
Recoveries - First Nation Reserves	70	113		
Recoveries - Inter-Authority Services	2	-		-
Department of Alberta Children's Services - Other	4	156	-	
	$ 9,301	$ 9,179	$ -	$ -
Expenses:				
Inter-Authority Services Received	$ 194	$ 314	$	$
Department of Alberta Children's Services	156	165	-	
	$ 350	$ 479	$ -	$ -
Receivable from/(Payable to):				
Department of Alberta Children's Services	$ 219	$ 190	$	$
Edmonton and Area Child and Family Services Authority		(3)		-
North Central Alberta Child and Family Services Authority	(16)	(10)		
	$ 203	$ 177	$ -	$ -

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

IN THOUSANDS

	Other Entities	
	2005	2004
Expenses (NOTIONAL):		
Accommodation	$ 439	$ 787
Administrative	47	150
Legal Services	3	8
	$ 489	$ 945

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

Allocated Costs • SCHEDULE 4

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005						2004
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses [1]	Accommodation Costs [2]	Administration Costs [3]	Legal Services [4]	Vacation Pay [5]	Total Expenses	Total Expenses
Child Care	$ 290	$ -	$ -	$ -	$ -	$ 290	$ 110
Early Intervention	424	-	-	-	-	424	480
Parenting Resources	184	-	-	-	-	184	96
Fetal Alcohol Initiatives	10	-	-	-	-	10	71
Child Welfare Services	5,774	289	-	3	(6)	6,060	6,479
Resources for Children with Disabilities	978	37	-	-	(1)	1,014	1,091
Child Financial Support	76	-	-	-	-	76	73
Community Coordination	492	-	-	-	-	492	634
Program Support	551	113	47	-	(2)	709	886
Board Governance	30	-	-	-	-	30	21
Inter-Authority Services	2	-	-	-	-	2	-
	$ 8,811	$ 439	$ 47	$ 3	$ (9)	$ 9,291	$ 9,948

---

[1] Expenses as per the Statement of Operations, excluding valuation adjustments.

[2] Accommodation costs, including grants in lieu of taxes, which were paid by Alberta Infrastructure and Transportation, represent the Child and Family Services Authority's building costs allocated by the number of authority employees per program.

[3] Administration costs for financial, human resources and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Alberta Children's Services.

[4] Costs for legal services which were paid by Alberta Justice were allocated to the Child Welfare program based on the legal services provided in relation to proceedings under the Child Welfare Act (Family Enhancement Act).

[5] Valuation adjustment as per the Statement of Operations. The Vacation Pay provision represents vacation entitlements due to all employees assigned to a program. Vacation pay is allocated to the program based on actual number of employees in the program.

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

Financial Statements

MARCH 31, 2005

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Auditor's Report

AUDITOR
GENERAL
Alberta

To the Members of the Métis Settlements Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Métis Settlements Child and Family Services Authority (the Authority) as at March 31, 2005 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
May 16, 2005

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

Statement of Operations

FOR THE YEAR ENDED MARCH 31, 2005

	2005		2004
	Budget	Actual	Actual
Revenues			
Grant from the Department of Alberta Children's Services (NOTE 3)	$ 4,309	$ 4,437	$ 4,253
Recoveries - Inter-Authority Services	-	80	-
Miscellaneous Revenue (NOTE 6)	-	14	35
	4,309	4,531	4,288
Expenses (SCHEDULES 3 AND 4)			
Promoting the development and well-being of children, youth and families			
Child Care	22	4	1
Early Intervention	540	537	527
Prevention of Family Violence	-	-	11
Parenting Resources	50	116	49
Fetal Alcohol Initiatives	25	29	54
Keeping children, youth and families safe and protected			
Child Welfare Services	2,780	2,235	2,639
Resources for Children with Disabilities	220	188	201
Child Financial Support	150	317	241
Promoting healthy communities for children, youth and families			
Community Coordination	150	69	80
Support Services			
Program Support	245	463	497
Board Governance	125	116	110
Inter-Authority Services	-	80	-
Valuation Adjustment			
Vacation Pay	-	(16)	9
	4,309	4,031	4,150
Net Operating Results	$ -	$ 500	$ 138

The accompanying notes and schedules are part of these financial statements.

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

Statement of Financial Position

AS AT MARCH 31, 2005

	(IN THOUSANDS)	
	2005	2004
Assets		
Cash	$ 574	$ 324
Accounts Receivable (NOTE 4)	529	125
	$ 1,103	$ 449
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 5)	$ 480	$ 326
Net Assets		
Net Assets (LIABILITIES) at Beginning of Year	123	(15)
Net Operating Results	500	138
Net Assets at End of Year	623	123
	$ 1,103	$ 449

The accompanying notes and schedules are part of these financial statements

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS) 2005	2004
Operating Transactions:		
Net Operating Results	$ 500	$ 138
Non-Cash Items:		
Vacation Pay	(16)	9
	484	147
Decrease (INCREASE) in Accounts Receivable	(404)	77
Decrease (INCREASE) in Advances		19
Increase (DECREASE) in Accounts Payable and Accrued Liabilities (a)	170	(103)
Cash Provided by Operating Transactions	250	140
Increase in Cash	250	140
Cash, Beginning of Year	324	184
Cash, End of Year	$ 574	$ 324

(a) Adjusted for Vacation Pay

The accompanying notes and schedules are part of these financial statements.

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

Notes to the Financial Statements

FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 Authority and Purpose

The Metis Settlements Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act*, and directions provided by the Minister of Alberta Children's Services.

The purpose of the Authority is to provide community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Alberta Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer, all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the main source of accounting policies.

REPORTING ENTITY

The reporting entity is the Metis Settlements Child and Family Services Authority, which is part of the Ministry of Alberta Children's Services.

BASIS OF FINANCIAL REPORTING

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserve.

Monetary donations from external sources are recorded as revenue when received.

Revenue under third party agreements that are restricted, are recognized in the year when the related expenses are incurred.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

DIRECTLY INCURRED

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget. They are included in the Statement of Operations and Schedule 1.

Directly incurred costs include:

- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also present the change in management's estimate of future payments arising from provision for accrued vacation pay for the CEO and for employees assigned to the Authority by the Department of Alberta Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Alberta Children's Services to the Authority, which are included in salary, wages and employee benefits expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

INCURRED BY OTHERS

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and disclosed in Schedule 4.

Assets

The carrying value of cash, accounts receivable, and advances approximates their fair values, due to the short-term nature of these items.

Liabilities

The carrying value of accounts payable and accrued liabilities approximates their fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Alberta Children's Services. The Authority is economically dependent upon the Department of Alberta Children's Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2004-05 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 24, 2004. The Authority approved the budget of $4,309 on April 23, 2004.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable, and accounts payable and accrued liabilities recorded at $529 and $480 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using a linear analysis of the prior year and current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contributions

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 3 Grant from the Department of Alberta Children's Services

The grant was determined as follows:

	(IN THOUSANDS)
Initial (ORIGINAL) budget	$ 3,309
Additional funding for the current year	1,128
Grant for the year	$ 4,437

NOTE 4 Accounts Receivable

The accounts receivable are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	(IN THOUSANDS)	
	2005	2004
Department of Alberta Children's Services	$ 445	$ 91
Child and Family Services Authorities	80	
Federal Justice Department		28
Other	4	6
	$ 529	$ 125

NOTE 5 Accounts Payable and Accrued Liabilities

The accounts payable and accrued liabilities are comprised of transactions with the Department of Alberta Children's Services and other Child and Family Services Authorities, which are related parties. The remaining transactions are with external parties.

	IN THOUSANDS	
	2005	2004
Trade Payable	$ 327	$ 159
Accrued Vacation Pay and Manpower Expenses	132	158
Child and Family Services Authorities	16	9
Department of Alberta Children's Services	5	
Other		
	$ 480	$ 326

NOTE 6 Miscellaneous Revenue

Miscellaneous revenue includes the following:

	IN THOUSANDS	
	2005	2004
Other miscellaneous revenue	$ 1	$ 14
Previous year over accrual	24	21
	$ 25	$ 35

NOTE 7 Contractual Obligations

As at March 31, 2005, the Authority has the following contractual obligations:

	IN THOUSANDS	
	2005	2004
Long-term leases [a]	$ 68	$ 6

[a] The Authority leases certain equipment under operating leases that expire on various dates to 2009. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	IN THOUSANDS
2006	$ 43
2007	$ 14
2008	$ 6
2009	$ 5

NOTE 8 Comparative Figures

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

NOTE 9 Approval of Financial Statements

The financial statements have been approved by the Authority's Board.

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

Expenses Detailed by Object • SCHEDULE 1

FOR THE YEAR ENDED MARCH 31, 2005

(IN THOUSANDS)

	2005		2004
	Budget	Actual	Actual
Salaries, Wages and Employee benefits [a]	$ 1,567	$ 1,482	$ 1,394
Supplies and Services	2,639	2,322	2,722
Grants	103	174	167
Inter-Authority Services	-	89	
Other	-	(16)	9
	4,309	4,051	4,292
Less: Recovery from Alberta Health and Wellness	-	-	(142)
	$ 4,309	$ 4,051	$ 4,150

(a) This includes $25 (2004 - $30) in achievement bonuses for management and non-union staff

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

Disclosure of Salary and Benefits • SCHEDULE 2

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS) 2005								2004	
		Base Salary[1]		Other Cash Benefits[2]		Other Non-cash Benefits[3]		Total		Total
Co-Chair of the Authority	$	-	$	23	$	-	$	23	$	18
Co-Chair of the Authority	$		$	19	$		$	19	$	4
Board Members (4 MEMBERS)	$		$	32	$	-	$	32	$	60
Chief Executive Officer	$	103	$	16	$	22	$	141	$	139

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular pensionable pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime, and lump sum payments. Co-Chairs and board members receive honoraria only.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

Related Party Transactions • SCHEDULE 3

FOR THE YEAR ENDED MARCH 31, 2005

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management and the Board of the Authority.

The Authority and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users and have been excluded from this Schedule.

The Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position measured at the exchange amount of consideration agreed upon between the related parties:

(IN THOUSANDS)

	Entities in the Ministry		Other Entities	
	2005	2004	2005	2004
Revenues:				
Grant from the Department of Alberta Children's Services	$ 4,437	$ 4,253	$	$ -
Recoveries - Inter-Authority Services	89	-		-
	$ 4,526	$ 4,253	$ -	$ -
Expenses:				
Inter-Authority Services Received	$ 82	$ 51	$ -	$ -
Department of Alberta Children's Services	88	49	-	-
	$ 170	$ 100	$ -	$ -
Receivable from/(Payable to):				
Department of Alberta Children's Services	$ 440	$ 96	$ -	$ -
Northwest Alberta Child and Family Services Authority	(16)	(9)	-	-
Edmonton and Area Child and Family Services Authority	82	-	-	-
	$ 506	$ 87	$ -	$ -

The Authority also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to produce the service.

These amounts are not recorded in the financial statements but are disclosed in Schedule 4.

(IN THOUSANDS)

	Other Entities	
	2005	2004
Expenses (NOTIONAL):		
Accommodation	$ 157	$ 267
Administrative	23	79
	$ 180	$ 346

METIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY

Allocated Costs • SCHEDULE 4

FOR THE YEAR ENDED MARCH 31, 2005

	(IN THOUSANDS)						
	2005						2004
		Expenses Incurred by Others			Valuation Adjustment		
Program	Expenses [1]	Accommodation Costs [2]	Administration Costs [3]	Legal Services [4]	Vacation Pay [5]	Total Expenses	Total Expenses
Child Care	$ 4	$	$	$ -	$	$ 4	$ 1
Early Intervention	537		-			537	527
Prevention of Family Violence	-						11
Parenting Resources	112		-			112	49
Fetal Alcohol Initiatives	25					25	28
Child Welfare Services	2,215	98	-		(11)	2,302	2,743
Resources for Children with Disabilities	177	9		-	(1)	185	229
Child Financial Support	237			-		237	344
Community Coordination	92		-	-		92	
Program Support	467	38	23	-	(4)	524	564
Board Governance	112		-	-		112	
Inter-Authority Services	89	-	-			89	
	$ 4,067	$ 145	$ 23	$ -	$ (16)	$ 4,219	$ 4,496

(1) Expenses as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Alberta Infrastructure and Transportation, represent the Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Restructuring and Government Efficiency and paid for by the Department of Alberta Children's Services.

(4) Costs for legal services which were paid by the Department of Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the *Child, Youth and Family Enhancement Act*.

(5) Valuation Adjustment as per the Statement of Operations. The vacation pay provision represents vacation entitlement due to all employees assigned to a program. Vacation pay is allocated to the programs based on actual number of employees in the program.